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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

**Foot starts campaign against dissidents**  
The start of a bitter campaign against the Labour Party's alleged "sect" was announced yesterday by a speech in which Michael Foot dismissed all their reasons for leaving the party.

**£12m for Times**  
Rupert Murdoch paid £12m for The Times. Back Page.

**Bill blocked**  
A Private Members' Bill to "disable" people who are "locked in" to their reading of the Commons yesterday by Mr. M.P.

**Zimbabwe full**  
Zimbabwe Government forces reasserted authority in areas disrupted by five days' violence between guerrilla factions. Back Page.

**Soviet air crash**  
About 70 people, including Soviet Pacific fleet senior officers and ratings, are believed to have been killed in an air crash near Leningrad on February 7.

**Italy rebuilds**  
The Italian Cabinet approved a reconstruction programme for areas devastated by last November's earthquake. Page 2.

**Belgian pay deal**  
Private sector employees and unions in Belgium signed a two-year agreement for voluntary pay restraint and industrial peace as 800,000 civil servants struck for fringe benefits. Page 2.

**Iran funds order**  
A U.S. court ordered a Texas bank holding Iranian funds to keep \$19m so that a computer company can be paid damages in its suit against Iran.

**Expansion move**  
Pressure in the Tory Party for a switch to a more expansionist economic policy was increased by Geoffrey Rippon, MP. Page 3.

**Schools warning**  
The schools inspectorate warned that education would suffer unless government reduced public spending and falling rolls was improved. Page 3.

**Doomwatch**  
U.S. space programme advisers are worried an asteroid hitting earth might trigger nuclear war. They urged the U.S. Government to start Project Prometheus to track asteroids and meteoroids and deflect them with space-launched H-bombs.

**Valentine record**  
A 20ft poster in London's Shaftesbury Avenue, from a Surrey wife to her husband, was dedicated "To Dick and all who love and dream." BBC2 TV with Franklyn 700 Valentine messages on Ceefax today. Card sales were expected to total a record 33m—with emphasis on humour.

**Briefly...**  
Farmer's wife Hazel Storer has been shot dead near Lusaka. Moslem guerrillas shot dead 118 Filipino troops on Palawan island. Corsican separatists claimed responsibility for three Paris explosions. U.S. balloon attempting world record sighted off Abu Dhabi.

**CHIEF PRICE CHANGES YESTERDAY**  
(Prices in pence unless otherwise indicated)

RISERS		FALLERS	
Aberdeen Invs.	183 + 11	Pilkington	287 + 12
Barton	112 + 4	Pratt (F)	102 + 12
Comstock	79 + 6	Reidy M.C. Concrete	153 + 8
Croft House	168 + 9	Rearson Smith	155 + 14
Dunlop	48 + 5	River Plate Ag.	259 + 19
Dunlop Steels	48 + 5	Royal W. Ag.	273 + 15
Estates and General	44 + 6	Satchell and Satchell	283 + 15
Ferret Ltd.	96 + 4	Scottish T.V.	7 + 7
GN	132 + 4	Taylor Woodrow	492 + 10
Half (M)	353 + 19	United Scientific	353 + 18
Health (G.E.)	135 + 8	Vickers	156 + 4
Homebrew	128 + 9	Wadsworth	68 + 3
Illingworth Wapiti	15 + 2	Wainwright Country	68 + 6
ICI	302 + 6	Wharmby	51 + 5
Illey (M.C.)	112 + 7	NCC Group	95 + 5
Inter	44 + 5	Petrolchem	355 + 35
London Prov. Shop	440 + 17		
Lowell	394 + 14		
Metals	394 + 14		
Metals	182 + 5		
Metals	74 + 5		
Metals	109 + 9		

## CBI warns that squeeze on profit margins must be halted

# Industrial output falls faster as recovery remains out of view

By David Marsh

BRITISH industrial output dropped more last year than in any year since the 1930s. There is no sign of any recovery.

The Central Statistical Office, in one of the gloomiest sets of figures produced during its year-long chronicle of the recession, reported yesterday that production in the final three months of 1980 was 13.8 per cent down on the corresponding period of 1979, taking it to a level last seen in 1967.

Total industrial output, which has been bolstered during the last few years by increased production of North Sea oil and gas, fell by 10.7 per cent between the final quarters of 1979 and 1980, taking it back to the level of the 1975 recession.

In spite of optimism among senior Ministers at the 'New Year' about a possible upturn, there is no evidence yet of industry escaping from the squeeze of falling demand at home and abroad, high interest rates and the strong pound.

Yesterday's figures show that, on a seasonally adjusted basis, the all-industry output index in December fell a further 0.6 per cent from November, while manufacturing production fell 1.2 per cent.

Last month, when the CSO reported roughly stable production in November compared with October, hopes rose that the output decline might be ending.

In fact, although the drop in all-industry output seems to be tailing off, manufacturing production during the final three months was declining at about the same speed as earlier in the year.

From its forward-looking economic indicators the CSO has been tentatively predicting that the recession may reach bottom by the spring or early summer.

Many forecasters believe, however, that an upturn may be delayed until the second-half of the year and that even then it may be modest.

The December index figure for all industries output was 100.2 (1975=100) with 100.3 in November. The manufacturing industry index was at 88.9 (90.0 in November).

Last year overall, manufacturing output fell by 8.8 per cent on the average level of 1979, nearly double the 4.5 per cent decline predicted by the Treasury last April. All-industry production—which includes the oil and gas sector where output was little changed—fell by 6.7 per cent.

This was the biggest annual fall since the 1930s slump, although changes in the composition of British industry mean that the figures are not directly comparable.

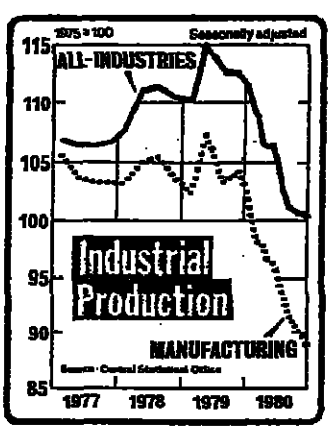
The Government has already admitted that in terms of the overall drop in gross national product, the recession has been twice as bad as expected.

Last year's fall was spread across a broad range of industrial sectors. In the metal industries, output in the fourth quarter was 32 per cent down on the same three month of 1979. Textiles, leather and clothing saw 21 per cent; chemicals, coal and petroleum products 15 per cent.

The mining and quarrying sector, however, increased its output by 5 per cent over the same period, reflecting greater coal production and increased extraction of North Sea oil and gas. Output of gas, water and electricity was unchanged, while output in the construction sector fell about 14 per cent.

On a month-on-month comparison, the only manufacturing sectors to increase output in December compared with November were aerospace and chemicals, coal and petroleum. For the latter group, production was still nearly 13 per cent lower than in December 1979.

Editorial Comment, Page 14



RETAIL PRICES		
	Percentage change over 6 months	12 months
Food	+2.6	+8.9
Housing	+2.9	+20.0
Durable household goods	+2.0	+6.9
Clothing and footwear	nil	+5.3
Nationalised industries	+11.3	+27.0
All items, retail price index	+3.5	+13.0
Tax-free price index	+4.1	+14.0

## Aerospace share offer is a sell-out

By Ian Rodger

THE GOVERNMENT'S offer to the public of half the shares in British Aerospace has been a success.

Lloyds Bank, registrar for the £150m issue, closed the application list a nominal one minute after opening it at 10 yesterday morning and announced that the offer was oversubscribed.

Kleinwort Benson, the merchant bank which launched the offer last week on behalf of the Government, said there had been an encouraging response in the last few days but the extent of the oversubscription would not be known until today or tomorrow.

The British Aerospace offer is the first of the Government's planned denationalisation exercises. Following the issue, the Government's stake in the company declines to between 48.37 per cent and 50 per cent, depending on how many shares are taken up by British Aerospace employees.

Stock Exchange dealings in the shares will start on Wednesday. Observers suggested yesterday the shares might open at a 15p premium to the 150p offer price, but opinions could change once the extent of oversubscription and the pattern of share allocations are known.

The basis of allotment is expected to be announced on Monday.

Kleinwort has said allocations would favour widespread ownership. If many small investors receive larger allocations than they expect, there could be significant early selling, one broker said.

About 200 people queued at Lloyds Bank's Stock Exchange branch in Old Broad Street early yesterday with last-minute applications.

Most were brokers' clerks but the bank opened 30 minutes early to ensure that there would be time for all orders by 10 a.m.

This weekend, 500 people are working at Lloyds' registry office in Worthing to add up the applications and try, with the help of a computer, to weed out duplicate applications.

Mr. Bill Niven, national officer of TASS, the white collar section of the engineering union, yesterday described the sale of shares in British Aerospace as "a national scandal."

"Defence cuts mean diminished customer capital on the military side—capital which has traditionally been used to finance the civil aircraft side." Way open for BNO share sale, and Lex, Back Page

## Inflation rate at lowest level for 18 months

By David Marsh

BRITAIN'S INFLATION rate is at its lowest level for more than 18 months. Retail prices in January were 13 per cent up on a year before compared with December's 15.1 per cent year-on-year increase, and looks set to decline further in the coming months.

There are signs that it could be down to single figures by the summer as cost pressures in the economy continue to subside.

The slowing rate of inflation reflects mainly the impact of the recession and the strong pound which both restrain price increases in the private sector. Nationalised industry prices, however, have been a strong expansionary influence, rising 27 per cent during the past 12 months, roughly double the retail inflation rate.

The Department of Employment reported yesterday that the Retail Price Index rose 0.6 per cent in January to 277.3 (Jan. 1974=100). This compared with a rise of 0.5 per cent in December.

The rise in the last six months in the price index for all items except seasonal foods—which gives one of the best indications of the underlying level of inflation—is down to only 7.5 per cent at an annual rate.

Last month's modest rise partly reflected the recent cut in the mortgage rate, which went some way toward offsetting higher prices for milk and other foods, beer and coal. Prices of clothing, footwear and durable household goods all fell, reflecting the January cut-price sales in the shops.

The consideration of British industry yesterday pointed out that much of the decline in the rate of inflation resulted from the squeeze on companies' profit margins and warned: "This cannot continue indefinitely."

North Nottinghamshire miners, working one of the most profitable coalfields in the country, were told there were no plans for closure there. But Continued on Back Page

## Miners 'may strike in 10 days' against pit closures

By Christian Tyler

MINERS' strikes could begin in a number of coalfields within the next 10 days, according to area officials of the National Union of Mineworkers.

They reported that rank and file pressure was building up rapidly for decisive Government intervention to stop the National Coal Board's accelerated closure programme. The announcement of first closures—22 pits in three areas—was made yesterday.

"The signs are that an emergency meeting of the NUM's executive committee, called for next Thursday, will be under strong pressure to implement its decision to ballot the miners for a national strike if it is to prevent South Wales, Durham and Kent miners jumping the gun."

No date has been set for the meeting of mining unions with Ministers which was requested as a matter of urgency by Mr. Joe Gormley, president of the NUM, and Sir Derek Ezra, chairman of the Coal Board.

Mr. David Howell, Energy Secretary, was expected to name a date on Monday. It was not clear last night whether the tripartite meeting, which might include Ministers from other Departments, but probably not the Prime Minister—would be arranged in time for Thursday's executive.

The traditional link between the militant coalfields suggests action in any one would precipitate strikes in others. But moderate areas were also sounding the alarm yesterday.

An indication of the strength of feeling came from Mr. Tommy Collan, Durham area secretary. He said last night: "Our lads are itching. If talks go on too long I cannot hold our members back." But the area rank and file leaders would be urged to day to wait for the national union, he said.

In South Wales, where 2,800 jobs would be lost by the closure of seven pits, Mr. Emyl Williams, area president, said the cut was only the first stage of a plan to "annihilate the coalfield." He made it clear his area leaders would be recommending early industrial action, although they would "all themselves as much as possible" with the national executive decision.

In Kent, where the 980-man Snowdown colliery, one of only three pits in the area, was marked for closure, the NUM said the miners were "straining to get started."

North Nottinghamshire miners, working one of the most profitable coalfields in the country, were told there were no plans for closure there. But Continued on Back Page

## DM drops further against dollar

By Stewart Fleming in Frankfurt and David Marsh in London

THE Deutsche Mark took another battering from the strong dollar yesterday, dropping to a new three-year low around DM 3.22 in spite of unprecedented intervention support by the West German Bundesbank.

As the world-wide run into the dollar gained momentum, the Swiss franc slipped below Sfr 2 to the dollar for the first time in three years and sterling fell just over 3 cents to close in London at \$2.8523, its lowest since May.

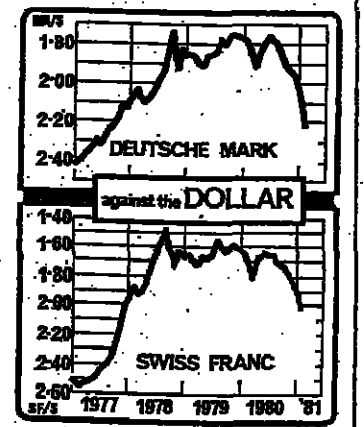
The D-Mark's renewed fall follows three weeks of sustained pressure, which has forced the Bundesbank to push German interest rates higher in order to defend the currency. On the Frankfurt money market yesterday three month interest rates rose to 10.6 per cent, a full percentage point above the level at the beginning of the month.

While the upward pressure from the Bundesbank and German interest rates is clearly aimed at helping the mark, there is some evidence in the bank's latest monthly report which suggests increasing concern about the domestic economy and the inflationary pressures facing the country arising partly from the devaluation of the currency itself.

Bank lending to the private sector has also been accelerating, however, in spite of the weakness of the economy, and the broader monetary aggregates are growing more rapidly.

The Bundesbank's tighter credit stance is producing intense political pressure from critics who hold that an easing, not a tightening of credit policy is called for.

Continued on Back Page



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and estimated current gross yield	12.57%	10.95%	6.18%
Percentage change in Fund offer price since launch date	-0.2%	+114.8%	+1055.2%
Percentage change in FT Ordinary Index over same period	-3.4%	+2.4%	+16.2%

\*Accumulation units shown because income units were not available at Fund launch. U.S. index % changes taken on account of reinvested income. <sup>1</sup>FT Government Securities Index. <sup>2</sup>The New York Times.

Prices and yields shown daily in the FT. An actual change of 1% in the offer price (assumed to be 100p) would result in a change of 1p in the price of the unit. The actual change of 1% in the offer price (assumed to be 100p) would result in a change of 1p in the price of the unit. The actual change of 1% in the offer price (assumed to be 100p) would result in a change of 1p in the price of the unit.

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## OVERSEAS NEWS

## Foot and mouth fear hits New Zealand shares

By Dai Hayward in Wellington

SHARE PRICES on the New Zealand Stock Exchange slumped by a record 7.7 points yesterday following the foot and mouth disease scare which threatens the country's \$281,800m (£228m) meat industry and the agriculture-dependent economy.

As New Zealanders waited for the results of laboratory tests which could confirm the outbreak on a Canterbury sheep farm earlier this week, the shares of agriculture companies fell heavily. Others involved in farming exports and some of the giant forestry firms also suffered.

Within minutes of the alert from a pig farmer in South Canterbury, a large-scale military-type operation involving hundreds of police, vets and Government agricultural officers, backed up by soldiers, swung into action.

Three large lamb export killing works in Canterbury and an abattoir have been shut down, all agricultural exports to Australia barred, 850 pigs slaughtered and burned, the export of all livestock—including race horses—prohibited, all animal and stock movements banned in an area of 900 square miles, police road blocks established to help contain the disease, and a massive disinfectant spraying programme started.

A small army of vets and Government animal experts are closely examining every animal in every herd and sheep flock on all neighbouring farms.

Tissue from the pigs which developed blisters on the snout and mouth, and which has been rushed to Britain by special courier for testing at the Pirbright animal health laboratory. Results will not be known for two or three days.

New Zealand cannot test the tissue samples from the infected animals itself. Disease-testing facilities for foot and mouth have not been established here because the risk to the important meat industry of having a live foot and mouth virus anywhere in New Zealand—even in controlled laboratory conditions—is too great.

New Zealand has never had foot and mouth disease, and an outbreak would be a disaster to a country heavily dependent on agricultural exports, particularly meat.

It would affect New Zealand lamb supplies to Britain—expected to be around 200,000 tonnes this year.

Last year, meat exports to the UK alone were worth \$370m and \$402m to the U.S. Meat provides almost one-third of New Zealand's total export earnings. The Minister of Agriculture, Mr. Duncan McIntyre, and worried farm leaders, have used words like "catastrophic" to describe the effects of a confirmed outbreak of foot and mouth disease on New Zealand's economy and especially on the meat farming industry.

New Zealand embassies around the world were ordered to inform their host Governments of the suspected outbreak. They did so with such speed that Canberra officials already knew when the Australian commercial attaché in Wellington telephoned his Government immediately he heard the news.

There is some hope that the blisters found on 28 pigs in one pen may not be foot and mouth disease but a swine vesicular disease which has some symptoms similar to foot and mouth but is far less dangerous.

"But we are taking no chances," said Mr. McIntyre. "It is potentially far too serious and damaging to our whole future for that."

The blisters were first noticed by the farmers of Mrs. Susan Dennis, who thought the animals had been sunburnt. Within hours of a local vet raising the alarm, a team of Government inspectors began shooting all 850 pigs in the Dennis herd and burning the carcasses.

The pull of disease rising last night over the Dennis farm was symbolic of the worry and despair which grips the whole of New Zealand. Every New Zealander knows only too well the ramifications a confirmed outbreak of foot and mouth disease would have for the country.

## INDIA ENSURES MOVEMENT'S SURVIVAL

## Non-aligned retreat from hard line

BY DAVID DODWELL IN NEW DELHI

ONLY MAMMOTH efforts by Indian diplomats prevented the non-aligned movement from being rent asunder in New Delhi this week. The price of survival was a retreat from the militant stand taken in Havana two years ago and a comprehensive re-examination of what the idea of "non-alignment" is about.

The fact of the Soviet invasion of Afghanistan dominated the conference, giving the once-silent and moderate majority in the movement an impressive platform from which to attack the militant—mostly Marxist—States which in Havana steam-rollered the movement into an exclusive condemnation of U.S. militarism and imperialism.

Afghanistan not only galvanised member States to demand that the Soviet Union be seen as a super-power rival to the U.S. and a parallel threat. It also shattered the unity that had made the militant and Marxist members of the movement so powerful at the Havana summit.

The New Delhi declaration

The non-aligned conference of foreign ministers last night agreed on a fresh peace initiative on the Iraq-Iran war and also called for the withdrawal of foreign forces in Afghanistan and Kampuchea. The move came after a day of deadlock, writes K. R. Sharma in New Delhi.

A four-nation mission—including India—will "exert all possible efforts" to end the war on the basis of a set of new conference principles to which Iran and Iraq are a party.

The New Delhi declaration

Vietnam was pre-occupied with defending its position in Kampuchea. India, often a defender of Soviet causes, was hampered by the border role forced on it as host to the conference and was embarrassed by Soviet action in Afghanistan. Traditional Soviet allies like Syria and the PLO joined with

requires territories acquired by force returned and claims settled through peaceful means—and this applies both to Afghanistan and Kampuchea, although Russia and Vietnam have not been specifically mentioned.

Agreement on this came after proceedings were stalled for a day over the inclusion of the expression "Democratic Republic" to describe Afghanistan. Delegations opposed to it, including Pakistan, argued that it would commit them to recognising the Karzai regime.

The New Delhi declaration

other Islamic States in condemning the Soviet incursion. Issues which in previous years have prompted fierce condemnation of the United States—like its support for Israel and for right-wing military regimes in Latin America—were but a side-show.

Even the frequently-voiced

concern over U.S. plans to form a "rapid reaction" force to defend its interest overseas, and its increased military presence in the Indian Ocean, was gentle compared with concern over Afghanistan and Kampuchea.

Fundamental divisions within the movement were laid bare, particularly in an attack by Singapore on Cuba in which it questioned "whether such a country can honestly claim to be non-aligned."

Mr. Supiah Dhanabalan, Singapore Foreign Minister, attacked Marxist member states of the movement for furthering the interests of "the superpower patron of their ideology."

Describing the 1979 Havana summit as "the nadir of the non-aligned movement's history," he complained that these states had manipulated procedures there to manufacture a one-sided attack on the West. With Singapore in the vanguard, a clear majority emerged in Delhi which sought to reassert a more neutral definition of non-alignment.

## Sadat says Europe has role in Mideast peace

BY ROBERT MAUTHNER IN PARIS

PRESIDENT ANWAR SADAT of Egypt said yesterday that members of the European Community could make a valuable contribution to a Middle East peace settlement when the time was ripe.

However, Mr. Sadat, who has had talks here with President Giscard d'Estaing of France, recognised that his views about Europe's contribution were not necessarily shared by other interested parties.

"You must ask the Israelis if they desire the same thing," Mr. Sadat said.

The Egyptian leader who,

earlier this week addressed the European Parliament in Luxembourg, reiterated his statement on that occasion that the first step in any European peace initiative should be to urge Israel and the Palestinians to accept a formula of "mutual and simultaneous recognition."

Ultimately, Europe could contribute to a peace settlement by providing security guarantees to Israel and the Arab states concerned. "These could take the form of troops from the member countries of the European Community, which would form part of a United Nations force."

## Israeli talks in Washington will centre on settlements

BY OUR TEL AVIV CORRESPONDENT

ISRAEL has high hopes of steering its relations with the U.S. Reagan Administration on to a favourable track when Mr. Yitzhak Shamir, Foreign Minister, visits Washington next week.

Mr. Shamir is believed to be optimistic that he can persuade the State Department to move or perhaps abandon its criticism of Jewish settlements on the occupied West Bank.

It was a matter of irritation to the Israelis when the Administration, having dropped its old complaint that the settlements were illegal, revived the attack by labelling them a

hindrance to peace.

This irritation showed through in the forceful tone with which Mr. Shamir rejected the U.S. complaint. He promised, in a speech delivered at Tel Aviv's Bar-Ilan University, that he would explain in Washington how essential it was for defence reasons that Israel should hold on to all of the West Bank and that building settlements there was vital.

The expansion of Jewish settlements in Arab territory has been an overriding objective of Prime Minister Menachem Begin's Government during the past three and a half years.

## Polish censorship law plea by Rakowski

BY CHRISTOPHER BOBINSKI IN WARSAW

A NEW LAW limiting censorship, as promised by the Polish Government last summer, in agreement with striking workers, must be introduced "without delay," Mr. Mirosław Rakowski, a journalist who on Thursday was appointed Deputy Prime Minister, said yesterday.

Mr. Rakowski's statement came in a speech to Parliament just before his nomination was approved by the Chamber, and

it challenges hard-liners in the party politburo. A draft of the law, prepared in a series of meetings between the Ministry of Justice officials, delegates of various creative associations and Solidarity, has been ready since January 14.

Solidarity has been urging that the draft be presented to Parliament as soon as possible, and this has been backed by

the Polish Journalists' Association. Journalists, who are also Members of Parliament have agreed to introduce the draft law on themselves if the Government proposes a different version.

The Polish Journalists' Association has been campaigning for the easing of restrictions imposed on the media by Mr. Stefan Olszowski, who took over responsibility for the press,

radio and television at the beginning of December.

There has been a slight improvement in recent weeks, following promises to Solidarity that it could have greater access to the media, but there are, for example, still restrictions on writing about the issue of a trade union for private farmers or publishing the names of senior officials involved in corruption.

## Strike protest over Belgian austerity plan

BY LARRY KLINGER IN BRUSSELS

BELGIUM was hit yesterday by a wave of nationwide strikes in the public sector in a demonstration against the Government's two-year austerity programme to revitalise the economy.

At the same time, however, the Government plan was given a big boost by an agreement on wage control between the country's employers' federation and

the unions representing the private sector.

Worst affected by yesterday's strikes were the ports, which were shut for 24 hours. Elsewhere, trains, public services and schools were shut for up to several hours.

The wage control agreement came just in time to prevent the situation from growing into serious defiance of the Government's programme.

It not only prevented the strikes from spilling over into the private sector, but now brings into the Government camp about 85 per cent of Socialist union members.

The coalition Government led by Mr. Wilfried Martens comprises his own Christian Democrats and the Socialist Party. Until now, most of the Socialist unions were firmly opposed to the Government's programme.

The agreement also means that the planned mandatory wage controls now become voluntary for the country's 2.2m private sector employees, who represent about 80 per cent of the total workforce.

The Government was also hoping last night that a voluntary agreement would soon be reached with the country's 600,000 professional workers.

## Court rules against UK

BY OUR BRUSSELS CORRESPONDENT

THE European Commission's case against British conservation measures implemented by Britain early last year was supported in a ruling yesterday by the Advocate-General of the European Court in Luxembourg.

Initial reaction by British officials in Brussels was that the ruling was "largely academic," since the British measures have since been incorporated in Community-wide regulations adopted in principle by the EEC Council of Ministers.

These regulations are being observed under a "gentleman's

agreement" pending the establishment of a Common Fisheries Policy.

However, the Court is expected to proceed with the case because it involves wider implications concerning the European Commission's powers over certain measures taken by national governments. Therefore, the precise wording of any eventual ruling will be studied with great interest.

The British measures, which were designed to protect fish stocks west of Britain, were adopted "unilaterally."

## Farm price talks stall

BRUSSELS—The EEC Commission

split in arguments over budget spending and place for cash for European farmers, yesterday put off attempts to finalise a new EEC farm price package until Monday.

The Commission president, Mr. Gaston Thorn, denied in a call off discussion of the Commission's proposals for 1981-82 Community farm prices after it became clear that no early

agreement was possible last night.

The Farm Commissioner, Mr. Paul Dalsager, had suggested an average increase in farm prices for 1981-82 of 7.5 per cent, coupled with stringent measures to reduce the cost in the EEC budget of the common market's farm surpluses.

Mr. Dalsager's proposals would have added nearly \$1.5bn to the community's budget in a full year.

## Dutch study submarines sale to Taiwan

By Charles Batchelor in Amsterdam

THE DUTCH Government has appointed a small group of Ministers to consider whether to allow the controversial delivery of two submarines to Taiwan.

Nearly two weeks after Parliament voted for the proposed sale to be called off, the full Cabinet has still been unable to reach a decision. Mr. Dries Van Agt, the Prime Minister, yesterday denied that the Cabinet was split over the issue.

Speaking after the weekly Cabinet meeting, he hinted that the Government was still in favour of the deal, saying that the high unemployment in the Netherlands was a factor.

The Government earlier granted an export permit for the sale of the submarines by the Rijn-Schelde Verolme shipyard. But threats of economic and diplomatic sanctions from China persuaded Parliament to vote against the deal.

The submarine sale was a

power last September to re-establish law and order. More than 100 "terrorists" have since been arrested and 2,000 imprisoned. The deal was intended to eradicate the threat of terrorism.

The submarine sale was a peaceful transaction. The submarines were built in the 1960s and were 10 years old. The deal was intended to eradicate the threat of terrorism.

The submarine sale was a peaceful transaction. The submarines were built in the 1960s and were 10 years old. The deal was intended to eradicate the threat of terrorism.

## Peking 'seeking IMF loans'

WASHINGTON — China is believed to have approached the International Monetary Fund (IMF) about the possibility of loans.

Peking is believed to want the money because of balance of payments problems following what many economists now see as an over-ambitious industrialisation programme in the past few years.

China took its seat in the fund for the first time last year and has a quota of 1.8bn special drawing rights (SDRs) which give member countries the right to borrow from the IMF.

Observers in Washington said they did not expect China to seek its maximum IMF entitlement. They said plans announced recently in Peking for the issuing of domestic Chinese Government bonds indicated China was trying to solve much of its problem internally, to keep its demands on IMF resources moderate.

There has been concern that China would draw so heavily on IMF resources that it would hurt the ability of other countries to draw loans. Reuter

## Oman-U.S. exercises anger Aden

By Ihsan Hijazi in Beirut

TENSION is rising between the Sultanate of Oman and the Marxist regime in Aden over the announcement that Oman and United States forces are to undertake joint exercises in the sultanate soon.

South Yemeni President Ali Nasser Mohammed flew to Addis Ababa yesterday for talks about the development.

In Aden on Thursday, Mr. Mohammed threatened that his Government would resume assistance to the Dhofari rebels is what he described as "Omani provocations" continued.

The Omani Foreign Minister, Qais Zawawi, has been holding talks in Washington, where he has seen President Ronald Reagan and Mr. Alexander Haig, the Secretary of State.

Chad deaths

A total of 700 Libyan troops and about 2,000 members of Colonel Moammar Gaddafi's Pan-African Legion are estimated to have died in Chad since Libya's intervention there last year, high-ranking Sudanese military officials said yesterday. AP reports from Khartoum.

Trudeau denial

Prime Minister Pierre Trudeau of Canada has ruled out suggestions of a "free vote" in the Canadian Commons on his constitutional measure, and indicated the whips would be on Victor Mackie reports from Ottawa.

## Italian Cabinet approves £3.4bn earthquake aid

BY RUPERT CORNWELL IN ROME

THE ITALIAN CABINET last night approved a £3.4bn (£3.4bn) reconstruction programme for the areas of the south devastated by last November's earthquake, to be paid for in part by an exceptional extra income tax levy of 5 per cent for 1981.

The draft bill, which has to be approved by Parliament, provides for aid to the two affected regions of Campania and Basilicata to be channelled through a single fund operated under the auspices of the Budget Ministry.

The fund will comprise money allocated by the Government, which will reach £4,000m this year alone, as well as foreign borrowing to help the Mezzogiorno's recovery.

Two such major operations are in the pipeline: a \$2bn Euro-loan, organised by Bankers Trust, and a \$1.2bn loan from the EEC.

Under the plans, people whose homes were either destroyed or damaged will be entitled to have the entire cost covered by the state. A quarter of the money will be made available at the outset of work, to speed rebuilding. For other properties and second homes, the fund will cover 30 per cent of the cost directly, and subsidised long-term loans for most of the remainder.

Responsibilities for allocating the subsidies will lie with local mayors. The general intention is that reconstruction will take place at the old sites. It is estimated that about half a dozen of the most devastated villages will have to be rebuilt.

Under the law, funds will be allocated to repair or replace damaged industrial plant and machinery. A special committee of ministries and regional authorities.

Concern has been ordered to draw up a detailed programme for this purpose, and to set out incentives to attract industry to the stricken area, among the poorest in Italy.

New small and medium-sized investments with up to £7bn (£3m) each, will be entitled to a 60 per cent grant. Agricultural reconstruction will be the task of the two regions, which have been instructed to draw up special regional plans dealing also with water supplies and irrigation.

Only time will tell how effective the package will be in making good the total damage estimated at about £13,000m.

But the special 5 per cent tax surcharge, which will raise £2,205bn has already produced a serious clash between the major reconstruction and the Government. The former are insisting that the surcharge be offset by cuts in the tax burden on the lower paid.

Union leaders have intimated that if a further meeting with the Government next Thursday fails to produce results, they may call a one-day general strike before the end of the month.

This would cap a spell of intense labour unrest, which has seen disruption in the transport sector, hospitals, and the chemical industry—the latter in protest at the plans of the Montedison group to shed 5,000 workers.

## Tokyo discount rate cut likely as price index falls

BY CHARLES SMITH IN TOKYO

THE BANK of Japan's discount rate is likely to be cut by anything up to 1.0 per cent from its present level of 7.25 per cent in mid-March as part of a co-ordinated attempt to shift Japan's economy out of its mini-recession. The cut will follow a relaxation package expected to be approved around March 10.

Signs of flagging domestic demand have combined with favourable wholesale price and exchange rate trends to make Japan's authorities feel a discount rate cut (the third in the present series) may now be due. The latest favourable news on the prices front, a 0.5 per cent fall in the January Wholesale Price Index from the previous month's level was announced yesterday.

Consumer prices are not yet coming down: indeed the Tokyo cost of living index for January showed a 1.1 per cent rise over December. This however is attributed mainly to the effects of a cold winter on food prices.

The Government hopes to see some levelling off of consumer prices later this month or in early March.

The January decline in wholesale prices can be seen as a direct result of the strength of the yen on the Tokyo foreign exchange market. The yen recorded an average value of 202.21 to the dollar over the month, 3.7 per cent above the December level.

A stronger yen lowers the yen-denominated cost of imported raw materials and contributes directly to a reduction in wholesale prices.

## Fishing fleet in Dutch fuel deal

A SUFFOLK fishing fleet is

saving £10,000 a month by buying its fuel in the Netherlands. The nine vessels of Talsman Trawlers at Lowestoft are adding 100 miles to their trips by calling in at the Dutch port Ymuiden to fill up with oil, but are saving £800 each time.

Mr. Peter Gouldby, assistant manager, said fuel oil in the UK costs about £155 a tonne but Talsman pays only £130.

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## Fugitive Turks face losing their citizenship

BY METIN MUNIR IN ANKARA

HUNDREDS of Turks who fled their country after the military take-over five months ago to avoid prosecution for political or terrorist crimes face losing their citizenship.

The martial law authority yesterday issued an ultimatum in 45 Turks, warning that their citizenship would be revoked if they did not return to Turkey.

by March 17 "to give an account of their bloody deeds and murders."

Similar warnings have been periodically issued since last month when the military seized power and decided to crack down on the growing expatriate community of dissidents in Europe.

Those under the threat of losing their Turkish citizenship include Mr. Fehice Buran, the acting chairwoman of the banned Marxist Turkish Workers Party (TWP) and 35 left-wing union leaders. Two other well-known leftists under the same threat are Melike Demiray, a

film actress, and Cem Karaca, a pop singer.

Yesterday's list embraced alleged left and right-wing terrorists. It included Mr. Mehmet Ali Akca, a right-wing tough who fled from prison after he was sentenced to death for murdering Mr. Abdi İpekçi, Turkey's most respected newspaper editor, two years ago.

This was one of the most sensational political crimes of the pre-concord period when Turkey seemed to be sliding towards civil war.

General Evren, the Chief of Staff, and his colleagues seized

power last September to re-establish law and order. More than 100 "terrorists" have since been arrested and 2,000 imprisoned. The deal was intended to eradicate the threat of terrorism.

The submarine sale was a peaceful transaction. The submarines were built in the 1960s and were 10 years old. The deal was intended to eradicate the threat of terrorism.

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## UK NEWS

## School standards 'threatened most by bad deployment of teachers'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE STANDARD of education will suffer unless central and local governments adjust to reduced public spending and falling school rolls, says the State's independent inspectorate in a report published yesterday.

Attainment in English, mathematics and other basic subjects are particularly threatened by the reluctance of education authorities to make "redundant" full-time teachers who are under-employed or whose subject specialities are not needed, suggests the report to the joint central and local government group reviewing educational expenditure.

A cut in the teaching force equivalent to about 10,000 full-time jobs in England and Wales has been

achieved without compulsory redundancies. This approach, though helpful to teachers' morale, has not been without educational cost, the inspectorate comments in its study of more than 1,200 schools and colleges and of local education authorities' reports.

Already 19 per cent of secondary schools and 17 per cent of primaries are suffering from an unsatisfactory balance of teaching staff.

Classes have become debilitated, large or confusingly mixed in age and academic ability. In some instances, subjects being taught by inappropriate or unqualified staff. In others, suitably qualified teachers spend virtually the whole week in front of classes, with little or no time to prepare lessons.

Even where teaching staff are adequately balanced, they are often unable to work effectively. In numerous cases they have been deprived of essential support by the tendency of education authorities to concentrate economies on books, equipment, maintenance, laboratory technicians and other classroom assistants, clerical staff, and part-time teachers such as those who give remedial instruction to slow learners.

The inspectorate also criticises the increasing dependence of schools on money raised by parents—a practice which has been publicly denounced by Mr. Kenneth Carless, Secretary for Education and Science.

This is likely to worsen the trend for the deterioration in standards to fall most heavily

on low-income areas, which generally have an unusually high proportion of less academically able pupils, the report says.

About six of the 104 local education authorities south of the border are managing the reduction of expenditure and pupil numbers in what is seen as a more balanced way, with a further half dozen moving in the same direction.

These exceptions are, for example, planning to retain and release teachers on the basis of the curricula schools need to teach, rather than leaving what can be taught largely to the chance effects of recruitment and voluntary resignations regardless of the skills and subject qualifications of the teachers concerned.

Unless such positive

managerial action is generally adopted, the report says, "what now look like limited anxieties could become major problems."

It warns, however, that in many schools teachers' morale has been adversely affected. "Its weakening, if it becomes widespread, would pose a major problem in the effort to maintain present standards, let alone improve them."

"Coherent and orderly" management is equally needed in technical and teacher training colleges and polytechnics if these are to meet students' future needs, particularly as regards training for industry.

A sufficient balance of part-time staff must be maintained, and machine tools and similar equipment must be replaced so that college train-

ing does not fall too far out of line with industrial practice.

"Unless care is taken," the inspectorate concludes, "the more cheaply met demands of full-time academic work could well absorb a disproportionate amount of the total resources available."

Mr. Carless said yesterday it was inevitable that the cuts in public spending thought necessary by the Government would have some impact on the service.

"But this does not mean that the fabric of education is disintegrating or about to disintegrate," he added. "The report makes it clear that in many respects and in many places the quality of the service observed continues to be satisfactory."

## LABOUR

## Two print unions agree to merge

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE executives of the two print craft unions have agreed to a merger in a year. Their decisions, taken at special meetings this week, must be ratified by ballot vote of the memberships.

The two unions—the 111,000-strong National Graphical Association and the 25,000-strong designers' union, SLADE—will amalgamate to form a new union, provisionally taking the name of the larger of the two partners.

The SLADE executive will recommend the amalgamation to a special delegate conference on March 12, then hold a ballot. Union leaders expect a "yes" vote, though an earlier ballot on the same issue turned down the merger.

Following the SLADE ballot, the NGA will ballot its members, though they had earlier approved the merger.

The present president and general secretary of the NGA, Mr. Les Dixon and Mr. Joe Wade, will have the same posts at the head of the new union.

Mr. John Jackson, the general secretary of SLADE, will become a joint assistant general secretary of the NGA for his working life, after which the post will be abolished.

The move is seen as the first of a series of mergers aimed at creating one prior union from the present five. The amalgamation committees of the two general unions, the 200,000-strong Society of Graphical and Allied Trades and the 54,000-strong National Society of Operative Printers, Graphical and Media Personnel meet in two weeks time to discuss details of a merger, to be followed by a meeting of the full executives, a campaign in both unions in favour of a merger, and then a ballot vote.

Mr. Owen O'Brien, general secretary of NATSOPA, said last night: "I hope we will be able to get a clear decision by the end of the year. We could have a merger of the two unions early next year, then a further merger later in the year."

## NHS strike threat

BY PAULINE CLARK, LABOUR STAFF

SOME 5,500 hospital electricians were yesterday given union go-ahead to start industrial action in ten days time. The action is to maintain their eight year old pay parity agreement with electricians in the private sector—despite acceptance in principle by Ministers of a union formula for raising basic rates by 21 per cent without overstretching the wage bill.

The action will start with overtime bans and work to rules in hospitals throughout the country with minimum effects on patient care. This could be followed by strikes in hospitals where area health authorities insist on rigid application of pay rise limits set for the health service.

The health service industries committee of the Electrical and Plumbing Trades Union yesterday drew up detailed plans for action following rejection earlier this week of a six per cent pay offer.

The electricians, who took industrial action in 1978 to preserve their pay parity agreement in the face of a Labour

Government's pay restraint policy, are the third NHS group following ambulance men and hospital ancillary workers to reject preliminary six per cent pay offers.

The Government has so far made no clear statement on the level of cash limits it will set for pay rises in this year's health service pay round.

Mr. Peter Adams, National officer in the EPTU, said yesterday that the union's main battle was with area health authorities who were adopting a tougher stance than the Department of Health and Social Security.

The union's chief concern was to preserve the parity agreement and not to secure huge rises in pay, he said. Under the union's formula, the £22 a week shortfall in basic rates between hospital electricians and the £108 a week basic in electrical contracting industry could largely be made up by consolidating bonuses. This could avoid increasing the wage bill by more than 6 to 8 per cent whatever the level set by cash limits.

## BL Cars likely to sack staff

By Our Labour Staff

BL CARS is likely to issue notices of compulsory redundancy next week to about half the 900 staff who make up the shortfall between the company's target for white-collar staff numbers and the total of volunteers for redundancy who have come forward.

The company's move could produce further support for the sanctions by white-collar staff in a number of car plants which came into force yesterday. The action against the compulsory redundancies had no immediate effect, but the reimposition of sanctions seemed to have decided the company on pressing ahead with the notices.

The white-collar staff are banning overtime, refusing to cover for vacancies caused by the redundancies, including already accepted voluntary notices, and taking other action.

BL is confident that the action will not draw prolonged support. Staff at the Cowley body plant voted against the sanctions, but those at the Cowley assembly plant, the Longbridge plant and the Jaguar plant were in favour.

## Ford recalls laid-off workers

FORD yesterday recalled all but 140 workers of the 2,500 laid off at three of its plants as a result of picketing at Dagenham by drivers employed by Silcock and Colling. The company is used by Ford for transporting finished vehicles.

Ford is clearly circumventing the problem of not having its regular company drivers to move parts within the Dagenham site.

Company drivers are refusing to cross picket lines in defiance of Transport and General Workers Union instructions.

## Arbitration rule change for teachers

THE RULES for arbitration on disputes over teachers' pay increases have been changed. They now require the prior agreement of the employers' and the union's panels of the Burnham negotiating committee before arbitration can take place. Mr. Mark Carless, Secretary for Education and Science, told the Commons yesterday.

## NUR urges electrification

BY OUR LABOUR STAFF

BRITISH RAIL'S largest union, the National Union of Railwaymen, decided yesterday to seek a meeting with Mr. Norman Fowler, the Transport Secretary, to urge him to adopt the largest of three programmes of rail electrification proposed in a BR Government report this week.

The final report of a study of the electrification of main-line railways, which is now before ministers, put forward three options. The largest would mean the electrification of more than half BR's present route mileage.

The NUR executive is in favour of this option being taken up by the Government, and the union's view of the report is that it adds little more than financial figures to what it regards as an unanswerable case.

The executive also decided yesterday to invite the railway group of the free Polish trade union Solidarity to an international conference in Belgium in May of railway trade unions. The decision could embarrass Eastern bloc representatives, who have also unusually been included.

## Tate &amp; Lyle to see MPs

BY OUR LABOUR STAFF

EARL JELICOE, chairman of Tate & Lyle, and union general secretaries are expected to meet Mr. Peter Walker, Minister of Agriculture, on Monday, to discuss British and EEC policy on sugar quotas.

A delegation of shop stewards from Tate & Lyle, which has set an April date for the closure of its Liverpool refinery, intends to mount a lobby of MPs in London the following day.

The decision to send a delegation followed a meeting of union officials and shop stewards representing the Liverpool workforce yesterday.

Mr. Bobby Smith, General and Municipal Workers Union national officer for the food industry, said a deputation to the Prime Minister, led by Mr. Bob Parry, Labour MP for Liverpool Scotland Exchange, was being considered.

## Building society receipts stay high

BY MICHAEL CASSELL

According to the Building Societies Association, net receipts in January were an almost exact repeat of the December total, which was one of the highest monthly figures achieved for three years.

Despite lower building society interest rates and raised investment limits for the 1981 issue of National Savings Certificates, the societies took in £2.19bn from investors during January. After withdrawals, they were left with net receipts of £446m, against £448m in December.

Early indications suggest that the inflow of funds in February have remained high, although some reduction on the January performance is expected. Receipts are likely to be nearer £400m this month.

The societies lent £842m to home buyers in January, a fall from the record December total of £965m. They also promised another £857m to mortgage applicants. At the end of the month they were committed to lending £2,426m.

Mr. Norman Griggs, secretary general of the association, said the societies' January performance showed they had successfully

weathered the recent issue of index-linked National Savings Certificates.

He added: "Lending has fallen in the early part of 1981 but it is never particularly brisk at this time of year. The underlying demand for home loans remains strong. House prices have now been almost static for seven months, which has proved an obvious advantage to first-time buyers."

There is some indication that house prices generally are beginning to rise again. The latest survey by the Incorporated Society of Valuers and Auctioneers in conjunction with Financial Weekly, reports a significant increase in demand for homes.

The survey says that for the first time in over a year, prices for all types of houses are now moving ahead again, although there are no signs of a major escalation. Many estate agents are quoted as saying that a further reduction in mortgage rates and the continuation of plentiful mortgage funds could see prices rise at a momentum later in the year.

## Move to trim pension rises to match inflation

BY ERIC SHORT

THE GOVERNMENT yesterday published the Social Security Bill (1981) which is intended to cut this year's pension and other social security upratings due in November.

This action was foreshadowed last November by Sir Geoffrey Howe, Chancellor of the Exchequer, and arises because the Government over-estimated the inflation rate in calculating last year's benefit increases.

The Secretary of State for Social Security is responsible for revising pensions and other benefits once a year in line with the cost of living. Since 1975, changes have to be announced well in advance of their implementation—pensions increases are usually announced by the Chancellor of the Exchequer in his Budget—the calculations are based on an official forecast of movements in the Retail Price Index.

In 1980, the benefit increases were based on an assumed rise of 18.5 per cent in the RPI, whereas the actual rise over the period turned out to be 15.5 per cent. Thus the current rates of weekly basic pension of £27.15 for a single person and £44.45 for a married couple should have been about £26.80 and £43.10 respectively.

The existing legislation makes no provision for action should such forecasts turn out to be incorrect, but an under-payment

in the 1978 increase of 1.9 per cent was made up in the following year. This bill will give the Government power to make the change for this year's increase, by assuming the 1980 pension rise was based on 15.5 per cent instead of 18.5 per cent.

The Government reaffirmed its commitment to maintain the value of pensions in line with price movements, but defended its current action, by stating that when public spending was under extreme pressure, the country could not afford benefits rising faster than inflation. The change will save £60m in 1981-82 and £165m in the following year.

The change will also apply to public service pensions, which are revalued at the same time and by the same amount. This should save another £10m in 1981-82 and £25m in 1982-83.

The Social Security Bill contains a number of other measures, including stiff penalties for social security offences. The maximum penalty for making a false statement to obtain benefit will be a fine of £1,000 or six months' imprisonment, compared with the current maximum of £400 fine or three months' imprisonment.

Mr. Norman Buchanan, the Opposition spokesman on social security, condemned the Government's action as "mean, petty and equal."

## BA fears route opening

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS' long-term financial position could be further jeopardised, if additional airlines are licensed on the UK-Australia air route, according to Mr. Gerry Draper, director of commercial operations for the airline.

Mr. Draper yesterday told the inquiry by the Civil Aviation Authority into applications by independent airlines for routes to Australia that the granting of such routes would result in "a significant reduction in the size of British Airways, and a lessening of its role as one of the world leaders in civil aviation."

If British Caledonian or Laker Airways were allowed to fly to Australia, the Civil Aviation Authority "would inevitably be faced with further applications for routes to the Middle East, Far East, East and South Africa and to Canada."

British Airways would then be faced with continuing uncertainty over which part of its route network would be taken away next.

It would present the airline with an impossible task when trying to plan for the future and remove any possibility of British Airways arranging its business with any degree of confidence in the future.

## Mersey daily to go tabloid

FINANCIAL TIMES REPORTER

THE LIVERPOOL Daily Post—the regional morning newspaper circulating on Merseyside and North Wales—is to reduce its size from broadsheet to tabloid in the spring in an attempt to halt falling circulation and increase advertising revenue.

The present circulation is now around 70,000, compared with 90,000 in 1972. In December,

the staff was reduced by 125, mainly through voluntary redundancies after a management warning that the alternative was closure of the paper.

Mr. Michael Unger, the editor, said: "The way that the Liverpool Daily Post would remain a quality newspaper, maintaining its individuality. It would not become the popular national tabloid."

## Project for Jaguar to cost £75m

Financial Times Reporter

THE BOARD of BL yesterday approved a £75m investment project for Jaguar cars.

The new Jaguar, code-named XJ40, is due for introduction in 1984 and is vital to the BL line-up if it is to retain a foothold in the U.S. market.

The unusual step of announcing the board's decision was an attempt to quash recent speculation that Jaguar might be sold off.

The XJ40 range will replace the XJ6 and XJ12 and Daimler saloons. BL has already approved a further £75m for light-weight engines of 2.2 and 2.8

## More UK news Page 17

lites. The aim is to cut the weight of Jaguar cars by up to 50 per cent.

Jaguar last night announced the first price increases for more than a year. Prices for XJ6 and XJ12 went up by 3.5 per cent. The XJ40 standard model, for example, will cost £13,100, up £350 while the top-of-the-range Vanden Plas 5.3 litre rises £760 to £25,755.

## Discs claim fails

RECORD COMPANIES facing sales losses of £1m-a-day through widespread home tape recording of discs, yesterday failed in a High Court claim for an order to stop a record retailer operating a rental scheme.

Mr. Justice Whitford said Ames Records and Tapes had never sanctioned, approved or encouraged home taping, which would infringe copyright. CBS and CBS UK are considering an appeal.

## Shorter jail terms

MR. WILLIAM WHITELAW, the Home Secretary, last night asked magistrates and judges to consider passing shorter and fewer jail sentences for non-violent criminals. This would help reduce the prison population which was his "most pressing and dangerous problem."

In a speech to magistrates in Leicester he also suggested a fresh look at the need to produce remand prisoners in court every eight days.

## Rolls in U.S. deal

ROLLS-ROYCE Motors, part of the Vickers group, has been licensed by Detroit, Diesel Allison of the U.S. to make the DDA-X-300 cross-drive transmission system for military vehicles.

This will form part of a power pack for a British Army mechanised combat vehicle, the MCV-80, which is to be built by GKN Sankey.

## CB radio backed

THE GOVERNMENT has received about 30,000 public representations on Citizens Band radio since last summer, said Mr. Timothy Ralston, Minister of State at the Home Office, in a Commons written reply yesterday.

He told Mr. Michael Brown (C, Bridge and Seatonhorne), that the majority favoured a 27 MHz service. A total of 18,000 names were on a single petition.

## Yellow Pages duel

THOMSON Directories, part of the Thomson Organisation, is spending £15m to compete with British Telecom's Yellow Pages by publishing guides to local business and community services.

The company, which lost the major part of the Yellow Pages publishing contract in 1979, plans to publish more than 200 of these by the end of 1982, for free distribution to householders. It says they will reach about 80 per cent of the population and will be revised every year.

## New FT service

FINANCIAL TIMES Business Information is to launch a 16-page fortnightly newsletter designed primarily for businessmen, bankers, financiers and industrialists with interests in Latin America, of those with ambitions to expand there.

The first issue of Latin American Markets will be published on March 2.

## Rippon in call for economic expansion

BY RICHARD EVANS, LOBBY EDITOR

THE PRESSURE within the Conservative Party for a switch to a more expansionist economic policy was maintained yesterday by Mr. Geoffrey Rippon, MP for Hexham, who opposes too great an emphasis on monetarism.

His speech, which follows efforts this week by Mr. Francis Pym, Leader of the Commons, and Lord Thorpecroft, chairman of the Tory Party, to give more credibility to the Government's policies, reflects the view of a growing number of Conservative backbenchers.

It is a theme that the Conservative Party must pay more attention to the social and political consequences of economic policies. "The time has now come to emphasise that it is not only inflation which can threaten the steady expansion of production and the full employment of our national resources. Deflation can do the same thing."

"We must, therefore, always be ready to make adjustments from time to time in our domestic fiscal and monetary policies to meet the real needs of the time. This is a matter

not of political dogma but of political judgment," Mr. Rippon said in his Northumberland constituency.

Tory backbenchers regarded as significant the private meeting of the 1922 Committee on Thursday night when an attempt by Mr. Ian Lloyd, Right-wing MP for Havant and Waterloo, to criticise Mr. Pym was firmly rebuffed.

References to Mr. Pym and Lord Thorpecroft, who argued this week that the Tory's rightful place was in the middle ground of politics, were warmly applauded by MPs increasingly worried at the political and social impact of the Government's economic policies.

In his speech Mr. Rippon argued that at a time of economic recession there was a case for allowing the public sector borrowing requirement to rise, provided due regard was paid to how the money was spent, whether on consumption and subsidies or on investment. He believed there was every argument for the Government to stimulate the economy by the creation of an investment-led recovery.

## CBI joins Linwood fight

THE SCOTTISH CBI has joined unions, MPs and local councils in an attempt to put pressure on Peugeot, the French owner of the Talbot car manufacturer, to reverse or at least delay for a year its decision to close the Linwood plant in Scotland.

The group is seeking a meeting with Mr. Ian Paul Parry, the British Peugeot boss, to say it will call on the Foreign and Commonwealth Office to intervene.

This emerged at a meeting in Glasgow yesterday of Linwood stewards, the Scottish TUC, local MPs, the State Scottish Development Agency, the CBI and local and regional councillors.

A study by Strathclyde regional council, which organised the meeting, estimates that the loss of the 4,800 Linwood

jobs could take unemployment to 40 per cent in Linwood itself, and to 10 per cent in nearby Paisley.

The council asked Peugeot-Citroën for a meeting when the closure was announced, on Wednesday, but has received no reply.

Mr. Charles O'Halloran, convenor of the council, said today: "We don't know if it will be successful but while there is a glimmer of hope we owe it to the community and those who are going to be thrown on the scrap heap to do something about it."

The group's first aim is to persuade Mr. Parry to cancel the closure, or, failing that, to delay it until June next year. This would allow time to attract new industry to Linwood.

## Ships sail after NUS agreement

BY PAULINE CLARK, LABOUR STAFF

MORE THAN 50 strike-bound ships in UK and overseas ports set sail yesterday—in some cases for the first time for more than a month—as British seamen returned to normal working following agreement between shipowners and union leaders to take their pay dispute to arbitration.

Within hours of the agreement reached late on Thursday night crews on 1,200 merchant navy vessels, including 253 stranded by strike action this week, were ordered to work as early as possible to avoid further damage to British shipping caused by nearly five weeks of industrial action.

The General Council of British Shipping said yesterday it expected many more ships to

resume normal operations this weekend although some sailings could be delayed for several days where crews had been repatriated by the National Union of Seamen or by shipowners following industrial action.

Mr. Jim Slater, general secretary of the NUS, said he was "delighted" with the outcome of the 12 hours of talks on conditions for a return to work and terms of references for arbitration at the offices of the Advisory Conciliation and Arbitration Service the previous day.

He said it was a tragedy, however, that the industrial action had to take place at all. It had led to the loss of millions of pounds by shipowners, a souring of industrial relations in the British shipping industry

and damage to the balance of payments and this could have been avoided if employers had taken up the union's offer of arbitration five weeks earlier.

Under the ACAS agreement, seamen will receive full payment of a 12 per cent pay offer backdated to the January settlement date pending the results of arbitration on the union's claim for all overtime worked by seamen to be paid at time and a half on weekends and bank holidays.

An arbitration panel comprised of one union nominee, one employer's nominee and an independent member chosen by ACAS is expected to be set up shortly to study the union's overtime pay claim.

## Industry assesses dispute's effects

BY WILLIAM HALL, SHIPPING CORRESPONDENT

BRITAIN'S shipping companies are finding it difficult to quantify the financial effects of what has been the industry's worst industrial dispute since the 1966 national strike.

The General Council of British Shipping says that 40 ships have been put up for sale as a direct result of the dispute, and that UK companies have lost the management contracts for another 12 ships.

The total tonnage of these ships has not been calculated but it could be of the order of 1.3m dwt. If owners sell these ships, then the fleet could fall to below 35m dwt. The GCBS estimates that 1,500 jobs have also been lost as a result of the dispute.

On the eve of the dispute, the UK fleet stood at 36m dwt. Industry estimates suggest that the fleet was losing £1m a day in revenue during the dispute.

This means that it could have lost about £30m. However, this is probably not indicative of

the scale of the industry's cash problems resulting from the dispute.

The cost, in terms of cash to the shipping companies, was less and may have been no more than £20m.

Most UK shipping companies do not appear to have suffered irreparable financial damage as a result of the dispute. But all of them stress that the main effect has been to weaken their long-term competitive position.

The financial impact of the dispute has been offset to some extent by the strength of the dollar over the past month which will benefit UK shipowners. Since the dispute started, sterling has weakened by close to five per cent against the dollar. The owner of a typical 30,000 dwt bulk carrier earning \$10,000 a day would therefore be £200 a day better off simply because of currency movements.

Last year, the GCBS quoted the case of one UK shipping company that lost £150,000 a year for every time the pound appreciated by one cent. Given

that sterling is now under \$2.30, compared with \$2.45 in November, that same company is some £24m per year better off.

Though the financial damage of the dispute has been partly ameliorated by the strength of the dollar, the dispute has hurt some parts of the industry considerably more than others.

Britain's coastal shipping fleet has been especially hard hit. F. T. Everard and Sons, which, with a fleet of more than 50 vessels is probably the biggest, estimates that it has lost £750,000 through the dispute. At the end, nearly half its fleet was immobilised.



















## HOW TO SPEND IT

by Lucia van der Post

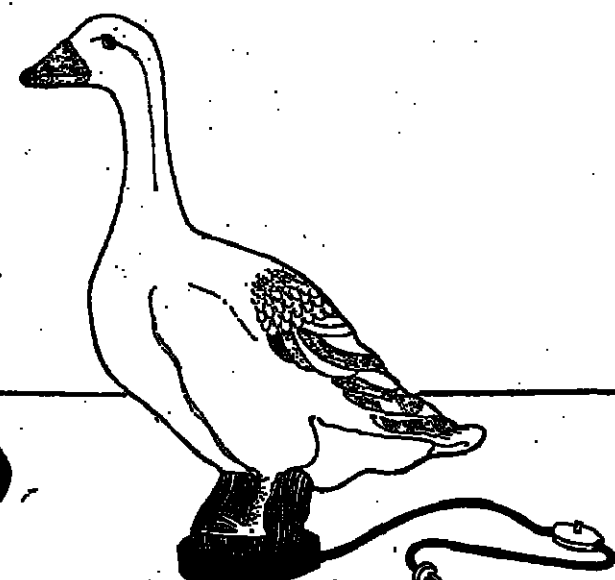
## LIGHT RELIEF



Carrier Bag



Knickerbocker Glory



Gladys Goose

Drawings by Celia Baker

HUMOUR seems to be a relatively recent ingredient in the world of lighting. If I look back through my cuttings on lighting down the years I find a mass of very functional, highly efficient and often extremely elegant designs, but humour of the sort that is so happily expressed in the designs sketched above seems almost entirely absent.

The lights sketched above are not, of course, meant to be taken too seriously — they all evince a happy sense of *jolie de vivre*, they all provide a general background glow to any room, but their function is really more sculptural and decorative than

strictly illuminatory. They are meant to add a note of fun and gaiety to a room, but should not be used to replace the efficient desk or working light source.

This streak of humour in lighting seems to have developed hand-in-hand with the spate of jokey ceramics, so it isn't surprising that one of the main sources of these lights is that Mecca of the visual pun, Strangeways shops (there are now three, alas all in London, but some of the lights can be posted) at 3, Holland Street, W8, 19, The Market, Covent Garden, WC2, and the original one at 502, Kings Road, SW10.

Above left: No, it's not a carrier bag, though it looks mightily like one — it's a light masquerading as a carrier bag. The bag itself is made from a pale cream wax paper with a parchment-like look which allows the light to diffuse softly through it. Use it to light up a corner, to cast a soft glow in a bedroom. There are two sizes, the smaller being about 8½ ins high (£14.50 plus £1.50 p + p).

The larger is about 11½ ins high (£16.75 plus £2 p + p). Designed by Chris Collicot, the small size uses a 40 watt bulb, the large one a 60 watt one.

Second from left, above, is the Knickerbocker Glory light. A ceramic base shaped like a sundae glass and supporting a dripping blob of melting ice-cream and raspberry jam (in ceramic, of course) whole is topped by a decorative bulb from Mazda. The 40 watt bulb forms part of the design itself and is easily replaced when it gives out. There's only one size (about 8 ins high) and, being ceramic, it is too heavy and fragile to post. Price £18.40.

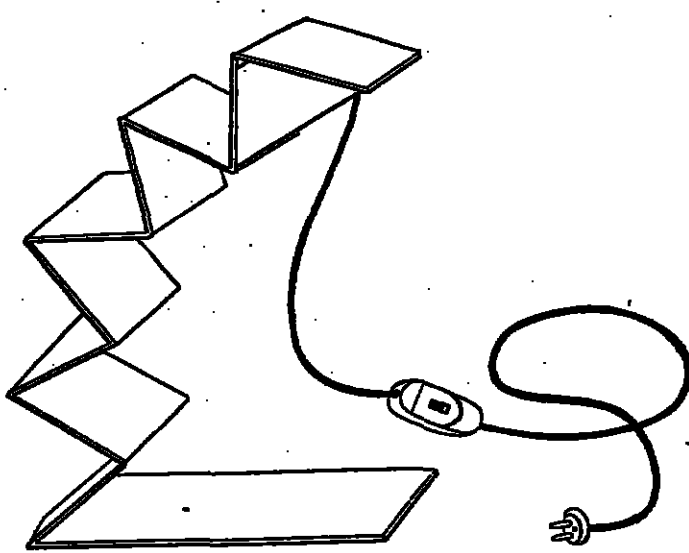
Top right is Gladys the goose. Many of you may remember first catching sight of Gladys in the Woody Allen film, *Play It Again Sam* — I've had fantasies about giving a duck of them ever since. However, at £28 a goose I don't think a flock will come my way. Gladys is made of non-flammable

vacuum-formed plastic, realistically coloured (that is white for the body, with orange beak and feet and a little bit of green grass for her to rest on). Don't put a bulb of more than 25 watts inside Gladys. She is much the largest and most dramatic of the lights on the page, being an almost life-size 23 ins. high. Strangeways will post her for £2 extra.

Below Gladys is the Zig-Zag light. Strictly it is more intriguing than humorous but it makes a very effective statement in any room. In black or blue matt finish it is also relatively heavy, being made of mild steel. It takes a 40 watt golf ball bulb. £24 to personal shoppers only as it is too heavy to post.

Far left at the bottom is the Flamingo Light from The Lock Shop at Camden Lock, Commercial Place, Chalk Farm Road, London NW1. He is made from pine and is about 5 ft 6 in high — a much more amusing version of the usual rather boring standard lamp. He has a near relation — the stork lamp which is made in a similar way — a cut-out version of the bird holds the glass globe or bulb in its mouth. Both come in natural pine or can be stained in a variety of colours — red, blue, green, yellow, pink or light green. Complete, the flamingo is £34.95 and if you live out of London contact The Lock Shop by post for delivery possibilities.

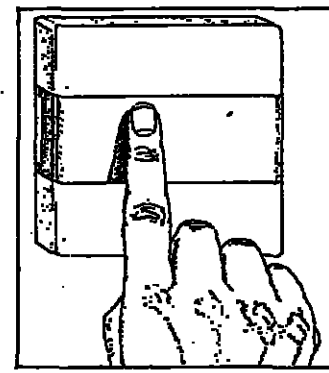
Near left below is "Donald," a much more finely-engineered piece of lighting by Arteluce, one of the top lighting companies in the world. "Donald" is an adjustable desk lamp with a matt, silver or black metal stem and a red, yellow, white or black visor. There is either a clamp-based version costing £61.50, or a circular-based model costing £75.50. Both versions are 50 cm high and are available from Liberty of Regent Street, London W1, who will post for £1 postage and packing.



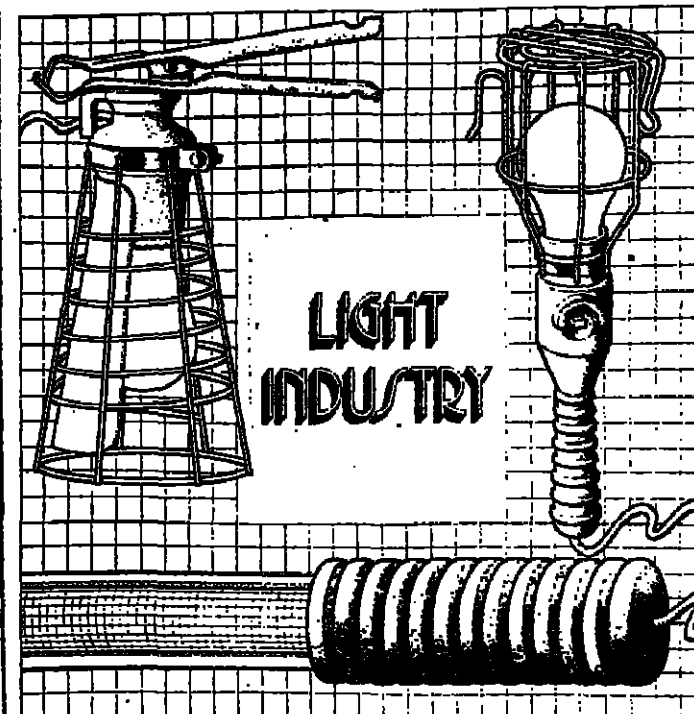
Zig-Zag

If you are trying to put all your lighting into some kind of order (as opposed to just buying a one-off design that catches your fancy) it is worth going along to Knobs and Knockers to look at its selection of lighting accessories. There are now 18 branches in all, six of them in Debenhams shops (including Debenhams, Oxford Street W1, and the original shop at 61-65, Judd Street, London, W.C.1). There is also a mail order department run from 36-40, York Way, London, N1, that will answer all inquiries.

Once you have tried dimmers you would not want to be without them — they allow a much more subtle range of lighting than the straightforward on/off switches. Knobs and Knockers has a selection of touch dimmers — operated electronically, lighting is increased or decreased at the touch of a finger on the plate. You can buy dimmers in a variety of designs, including all brass ones in the Georgian, Victorian or Princess style but in my view much the most dashing are the brilliantly coloured, nylon-coated versions which makes of the boring accessory a thing of drama and delight. Go and look at them to appreciate them fully. Prices start at £18.95 for the touch dimmer but sockets, switch-plates and other accessories come in the same bright primary colours.



Touch dimmer



LIGHT INDUSTRY

THOUGH High-Tech never really arrived in most people's houses, some of the spin-offs of the High-Tech movement have benefited us all. One of the most fruitful and suitable areas of High-Tech influence has been the lighting field where some of the simplest, sturdiest and most efficient lights of all were first developed for industrial use and have since been taken up by the sharp-eyed, economy-minded trend-setters in the interior design field.

Though some people find industrial lighting rather stark and heavy I find its very suitability for its purpose, its air of long-lasting ruggedness, a source of visual pleasure. Coupled with the fact that they are so easy to use, provide such an efficient light-source and are, often, so cheap — no wonder they are winners.

Sketched above are three new amazingly useful pieces of lighting from the London Lighting Company at 135, Fulham Road, London, S.W.3, and 37-39, George Street, London, W.1.

The two lights at the top of the sketch are what are termed "Inspectors Lights" — ordinary builders' inspection lights have been fitted with crown silver bulbs and the brightly-coloured curly cable wiring that can be bought as an extra is the touch of magic that transforms them into original, inventive lighting.

Both are totally portable light sources that can be used for peering into cellars, poking into attics, for shining on to intricate pieces of work or for whatever other purpose they may be required. On the left the cone-shaped light has a clamp so that

it can be attached to the edge of a table, a shelf, or even just stood on a flat surface so that your hands are left free. £7.20 (plus £2 p + p). The light on the right can either be held like a lollipop or, using the hook attached to the cage over the bulb, it can be attached to a ceiling hook, to furniture or anything else, again to leave the hands free. £4 (plus £2 p + p).

Across the bottom of the sketch is one half of an intriguing French light called the Easylight. It is really a rod of light, being a fluorescent tube cased in tough polycarbonate with black rubber handles at each end by which the light can be held.

This particular design incorporates an interesting switch mechanism — you tilt the light one way and it switches on, tilt it the other and it switches off. (I understand the magic ingredient in this mechanism is liquid mercury.) Prop the light against a piece of furniture or lean it on a corner — like the other two lights, it provides light where you need it, when you need it. This design doesn't come at quite the same down-to-earth industrial prices as the other two but at £59.50 it does provide an intriguing and original way of lighting up a room.

The curly cable wiring is an extra but coming as it does in stunningly bright colours like blue, red, yellow as well as black and white it provides just the dramatic finishing touch the lights need. Two-core cable is £1.65, three-core cable is £2.70, per metre — remember it stretches like telephone wire.

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FT12

## Well-bread

BY JULIE HAMILTON

NOT SO long ago one member of every country-dwelling family would always rise early enough to produce that appetising smell of newly baked bread to greet the arrivals for breakfast.

Since it takes me anything from four hours to make my bread, I prefer, like many other people nowadays, to bake once a week and freeze the loaves.

Not immediately needed. Not that I am actually working at it for four hours but I have to be around to keep an eye on things.

Do not be put off by the time factor because it is possible to shorten the process a little and also use part of the time for other household tasks. I find that freezing goes well with bread baking.

People who have never tried to bake their own bread tend to look on home-bakers with awe. They seem to fear yeast like they fear the unknown. I hope I can remove their inhibitions. Bear in mind that even a failure fresh from the oven will probably smell and taste good.

The kind of bread you make becomes a very personal choice. Once you are happy with a recipe you tend to stick to it so that it becomes part of your personality.

Hence "Mary's bread is dark and crumbly" while "Jane's is light and white" and "Jack's is crisp and nutty". Given the same recipe, no two people produce the same result, but all are equally good.

No special equipment is needed. Any tin will do to bake it in, or no tin at all. It is all a matter of taste. Good bread flour is important and easy to find. Health food shops and most supermarkets sell it. Wholewheat flour, granary flour and strong white flour, all plain and not self-raising, are the most popular and readily available. The choice of fresh or dried yeast is again a personal one. I prefer fresh because it works better for me but plenty of people say the opposite. Fresh yeast is harder to find. Some bakers and most health food shops will sell it.

Basically, 3 lb of flour require 2 oz of fresh yeast (or 1 oz dried), 1½ pints of liquid, sugar, salt and fat according to taste (or the recipe). The flour may be mixed half white and half wholewheat or granary or in any other proportion you choose. You will find a recipe for a basic loaf on the backs of the bread flour packets. These recipes work perfectly well. Some suggest one rising, some two. Either way it is a matter of taste and time. If you have never made bread, do try it. It really is easy — and most satisfying.

Brown or white rolls made in large quantities are excellent for freezing. They can be taken straight from the freezer to the oven and will taste as good as when freshly baked.

## Enriched white bread

This is ideal for white rolls or plaited bread for a dinner party.

3 lbs strong white flour; 2 oz fresh yeast (or 6 teaspoons dried); 1 pint warm milk; 1 pint water; 1 tablespoon salt; 3 teaspoons caster sugar; 6 oz butter or margarine; 3 eggs lightly beaten.

Combine the fresh yeast (if using dried, follow the instructions on the tin) with the sugar and a little of the milk, which should be barely warm, and set aside to prove. Sift the flour and salt into a warmed bowl and rub in the butter as you would for pastry. When the yeast has produced a frothy head combine it with the rest of the milk and water.

to ask your partner to lend a hand.) Knead for not less than 10 or 15 minutes, by which time your dough should be warm, smooth and elastic. Grease a bowl, place the dough in it, cover with a clean warm tea towel and set in a warmish place to rise. Alternatively, grease a large polythene bag, place the dough in that and loosely tie the end.

It is at this point that I do the ironing. When the dough has doubled in size, turn it out again and knead it again, this time for only a few minutes. Divide the dough into two pieces, cover one with a tea towel and let keep warm, divide the other into three equal portions from which you form three thin sausage shapes, each about 14 inches long.

Lie them side by side and plait them, pinching the ends together. Place on a greased baking tray and set aside to rise again. Divide the other piece of dough into portions the size of small lemons and shape them into rolls. An interesting way to do this is to roll them out to about six or eight inches and form a single knot with each one. Place them also on a greased baking tray, cover with a tea towel and leave to rise.

When doubled in size, bake in a pre-heated oven, gas mark 8 (450°F) for approximately 30 to 40 minutes for both rolls and plaited loaf. When they are done they should sound hollow if tapped on the bottom.

Cool on a wire rack. To freeze, wait until quite cold and seal in a plastic bag or box.

## My version of Greek pitta bread

3 lbs strong white flour; 2 oz fresh yeast (or 1 oz dried); 1½ pints tepid water; 1 tablespoon salt; 3 teaspoons sugar; 2 tablespoons olive oil.

Prove the yeast as described above, using water. Combine the proved yeast with the flour and salt, add the oil at the same time. Knead as above and set to rise. When doubled in size, turn out, knead and divide into pieces about the size of a small orange. With a rolling pin roll one piece at a time as thinly as possible into an oblong, fold it in half, pinch the edges together and roll out again to the previous size. Fold in half, pinch the edges and roll again to form an oblong about ½ to ¾ inch thick. (If you have a pasta machine you can use it to roll this dough to the required shape, using the thickest setting.) Repeat the process with as many pieces of dough as you



Sharon Finnmark

can fit on your greased baking tray. Bake straight away. Do not wait for a second rising. Preheat the oven to gas mark 8 (475°F). Bake for four minutes, then turn them over and bake for approximately another four minutes. When cooked, these breads should not have much colour. When cooled, place in an airtight container. To serve, reheat in the oven for three minutes. Pitta breads are ideal for pates, terrametsels and soups. They can also be opened like a mitten glove and stuffed with hamburgers and onions or sausages and gherkins, making lovely snacks.

The dough for pitta bread also works well for a pizza, for which you use only one-third of the dough, leaving the rest for making rolls, loaves or pitta. Or simply use one-third of the ingredients.

## Nutty brown rolls and a loaf to spare

1 lb wholewheat flour; 1½ lbs granary flour; 1 lb strong white flour; 1 tablespoon black treacle; 2 oz fresh yeast (or 6 teaspoons dried); 1½ pints tepid water; 1½ tablespoons salt; 2 tablespoons olive oil or corn oil.

Combine the yeast with the black treacle and a little of the water and set in a warm place to prove. Mix the flours together, adding only the white one with the salt in a warmed

bowl. Add the proved yeast, water and oil and work into a manageable dough. If you need to add more flour, use white. Knead for a good 15 minutes. For the rolls, divide the dough into two. Place one half in a greased bowl in a warm place. Cover it with a tea towel and set to rise. For the loaf, divide the other half into six equal portions and roll them in the palms of your hands to form round balls.

Grease a small cake tin and place the balls in it, one in the middle, the other five round it and all touching each other. Cover with a tea towel and set in a warm place to rise. When doubled in size, bake in a hot oven, gas mark 8 (450°F) for about 30 minutes. Cool upside down on a wire rack. When the other half of the dough has doubled in size, turn it out and knock it flat, knead it and form balls the size of satsumas, placing them on a greased baking tray.

Cover with a tea towel and set in a warm place to rise. When nearly doubled in size, bake in a hot oven, gas mark 8 (450°F) for about 20 to 25 minutes. Cool on a wire rack. You could also form plaits or any shape you like from this dough. Roll-size plaits are fun for a party.

All these breads freeze very well, except the last loaf which will be slightly crumbly when cut after freezing. But it will still taste divine.

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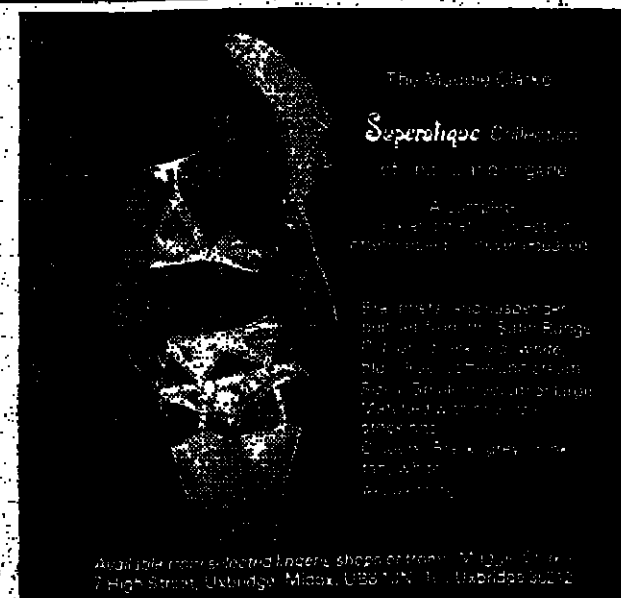
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## BOOKS

## Fiction

## Darkness awaits

BY MARY HOPE

**The Collected Short Stories of Elizabeth Bowen**  
introduced by Angus Wilson.  
Jonathan Cape. £3.50, 782 pages

In "Human Habitation," one of the earliest stories in this collection, two students get lost on a walking holiday; they stumble upon a remote house in which a distressed young woman awaits her husband; different worlds and obsessions intrude. While one expounds socialism to the uncomprehending, distracted girl, the other has, like other characters again and again in the later stories, a blinding, total insight into relative importance.

"A sudden shifting of his values made him dizzy; he leaned back to think but could visualise nothing beyond the living-room: it expanded till its margin lay beyond the compass of his vision. After all, it came back to this—individual outlook; the emotional factors of environment; houses that were homes; living-rooms; people going out and coming in; people not coming in; other people waiting for them in rooms that were little guarded squares of light walled carefully against the hungry darkness, the ultimately all-devouring darkness. After all, here was the stage of every drama..."

Uncharacteristically bare writing for a mistress of loaded poetic prose, but in itself a statement of the springs of her inspiration in the short stories and also of the situations depicted: the tensions of expectation are what short stories are

all about and Elizabeth Bowen played the theme through the 79 virtuoso performances in this superb volume.

She knew that great events are not for short stories, or for her, or for the kind of characters of which she wrote. The significant, important movements of the soul happen privately, and this is why these stories both state that fact and demonstrate it time and again. A man, visiting friends in Ireland, tries to dissuade a passionate young girl from leaving her sleepy existence and coming to war-torn London:

"You may think that action is better—but who will care for you when you only act? You will have an identity number but no identity. Your whole existence has been in contradiction. You may think you want an ordinary fate—but there is no ordinary fate."

"Extraordinary" in the fate of each of us, moments of self-realisation, betrayal, evasion and terror at the enfolding darkness—attempts to truly feel and exist are the stuff of these stories. Many of her characters are just slightly off-confidence of their own relation to reality or their ability to feel properly: "one is empowered to live fully," thinks the girl in "The Disinherited," conscious of her own incompleteness, "occasion does not offer."

The implication is that the times are not right: the grim, crack, roadhouse world of the 1930s, gives way to the dislocation of the Blitz. The stories are rooted. Concrete existences of a certain kind of middle-class

life and manners are the soil in which her delicate, struggling plants grow, but, unlike some critics, I feel that it is the characters and not the times which are out of joint. By using incomplete and dislocated lives, who become aware, at the crux of each story, of their position, Miss Bowen found universality.

There are no great events, but infinitesimal shifts of perception which change lives. The power of childhood is paramount: the events of the spirit are traced right back. No writer has ever been so wholly conscious of childhood: the stories of children are full of dangerous, uncomfortable perceptions—there is no end to the violations committed by children on children, quietly talking alone," she wrote in that great novel *The House in Paris*.

The total compulsion of childhood impressions reaches brilliant heights in "Ivy Grippes the Steps," where a man returns from the war to retrace his childhood obsession with a dangerously fascinating woman—the only thing that has ever really happened to him; or in "The Apple Tree," where childhood cruelty leads to death and the everlasting horror of the perpetrator.

Unaware as they may be of themselves, her characters cannot in the end, escape. Time and again, they come face to face with themselves in mirrors, or catch sight of their shadows: they are trapped into consciousness of their existence and their nature. The exquisitely chilling



Elizabeth Bowen—a new drawing by Judith de Beer

"The Cat Jumps" has Jocelyn seeing her own fear in a mirror and covering it with a bath-towel, trying to escape fear, not of death, but of death of the spirit, hard-bitten and rational as she has been with her smart friends.

Elizabeth Bowen returned often, ironically, very Irish, to the consciousness of the inadequacy of flip, trendy rationality. The supernatural can always be read on two levels, but it cannot be denied: terrors real or imagined are still terrors, and all the more affecting for being placed among characters who have solid existence in minutely described actuality. If you want to know what life was like in the 1930s and 1940s you can do no better than to re-read these great stories. But you will get much, much more than you bargained for. They are about what life is.

Elizabeth Bowen's novel of wartime London, *The Heat of the Day*, is available in Penguin at £1.25; her later novel *Eva Trout* from Jonathan Cape at £3.95. There is at present no Collected Edition of her novels.

## Conquering hero

BY IAN DAVIDSON

**The Search for Alexander**  
by Robin Lane Fox.  
Allen Lane £12.95, 483 pages.

History, from one point of view, can be described as a series of wars of conquest, yet there have been very few great conquerors. This is not perhaps surprising. A great conqueror must start with virtually unquestioned political authority, outstanding military talent, and substantial military and economic resources; and on top of that he needs an almost limitless ambition to capitalise on these three assets. By definition, such a combination is bound to be rare.

At all events, the great conquerors in 2,500 years of western history can almost be counted on the fingers of one hand. The list must include Alexander the Great, Hannibal, Julius Caesar, Napoleon Bonaparte, Adolf Hitler and Josef Stalin; and of these six only Julius Caesar and Josef Stalin permanently changed the frontiers of the world—if one leaves aside the paradoxical case of Adolf Hitler, whose legacy was the direct opposite of that which he intended. But none of them has exerted a greater fascination on subsequent generations than Alexander the Great.

His story is unique, dazzling, unrepeatable and tragic. Handsome, a pupil of Aristotle, he inherited the throne of Macedonia at the age of 20 when his father, Philip II, was murdered, quite possibly at the orders of his mother Olympias. Two years later he crossed with an army into Asia Minor (nowadays known as Turkey); he never returned home.

Twelve years later he died, of uncertain causes, in Babylon. But in the meantime he had achieved the greatest conquests ever known. In the first four years of campaigning, he was the acknowledged ruler of a million square miles, the richest man in the world by an unimaginable margin. By the time he died, he was master of the whole of the Persian Empire from Egypt to India, and he had settled Alexandrias in places as far apart as the Nile and the Oxus.

From one point of view, it is a murderous story: slaughters, retributions, executions offset the many occasions when Alexander boldly led his Macedonians into battle. But Alexander was not just a

military genius: obsessed by Homer's *Iliad* and his own desire to outshine Achilles, he cast his own boy-friend Hephaestion in the role of Achilles' Patroclus. He was profoundly religious, as the Greeks understood it. Above all, he aspired to an equality, if not an integration, between the Macedonians and the Persians, an aspiration resented by his followers and ignored by his successors.

If I sound enthusiastic, it is Robin Lane Fox's fault, who has produced a handsome second book on the subject of Alexander. It is beautifully illustrated with photographs of the landscape Alexander passed through on his Odyssey, as well as of a number of important recent archaeological finds which have filled out our knowledge of the conqueror. It is not, however, a coffee-table book; and sometimes I could have wished it had been.

In the interlude since the publication some eight years ago of his prize-winning *Alexander the Great*, Lane Fox claims to have modified his views on a number of episodes in Alexander's history, though I could spot no major changes. On the other hand he has undoubtedly brought us more up-to-date information from the researches of the archaeologists—hence the title of the book.

The problem is that this second volume, timed to coincide with an exhibition now showing in Washington, D.C., is just much less readable, on occasions less intelligible, than its predecessor. Too often, in retelling his tale, the author seems to slip into jargon invented by 19th-century classical historians. I don't think that I ever understood what a "henchman" in the ancient world was; but when I read that a certain Bessus was not only Darius' "henchman" but also Sathibaranes' "henchman" and that he called himself King of Asia, I am wholly baffled.

Fortunately, Mr. Lane Fox's earlier work is still available (and at little more than half the price of the new volume). It is witty, elegant, funny, a delight to read—in short, serving all of all those prizes. Readers of his reviews and gardening column will, of course, wish to possess both books, to read the one and to look at the other. I personally am grateful for the pleasure of having done both.

## SF survives

BY RAY LARSEN

**Beyond the Blue Event Horizon**  
by Frederick Pohl.  
Victor Gollancz, £5.95, 327 pages

Pohl's award-winning novel *Gateway* told of an impoverished mankind trailing in the footsteps of an advanced race which vanished from the galaxy millions of years ago. In this sequel many of the mysteries are solved as men begin to master the bizarre controls of the spaceships which the aliens left behind. But the clues lead to a disconcerting dénouement. Powerful though it was, the forgotten race was being driven out by an even more advanced breed which had started to reshape the very fabric of the Universe. Pohl tells a taut story and gives these mind-boggling concepts an air of authenticity.

**Golem 100** by Alfred Bester, Signet and Jackson, £8.95, 381 pages

Bester, always a rather frenetic stylist, has come up with a self-proclaimed experimental novel. A group of bored women engaged in Dionysian rites manages to raise a demon who starts behaving like a 22nd Century Jack the Ripper. The theme is decked out with Joycean word patterns plus eccentric typography and illustrations. Such a strange mélange presumably finds a public among the cult audiences on the West

Coast of America. It is certainly a far cry from the simple verities of Bester's early years when he produced radio scripts for Charlie Chan and *The Shadow*.

**Ringworld Engineers** by Larry Niven, Victor Gollancz, £6.50, 351 pages

It is nine years since Niven invented the Ringworld, a vast artefact, 5m times larger than the earth, and inhabited by a multitude of archaic civilisations. This volume takes us further into the origins and workings of the great metallic ring. The adventures among strange races, rather reminiscent of Edgar Rice Burroughs, are interspersed with plenty of ingenious scientific and engineering riddles which will keep the hard-core addicts hooked.

**Molly Zero** by Keith Roberts, Victor Gollancz, £6.95, 224 pages

A bleak look at Britain 200 years hence when a militaristic government has come to power following a series of civil wars. The hierarchy perpetuates itself by rearing test-tube babies from donors picked for their high intelligence. It is all rather grim with dollops of sex and violence thrown in to liven things up. Definitely more Orwellian than Wellsian.

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## Going over to the enemy

BY ISABEL QUIGLY

**The Interceptor Pilot**  
by Kenneth Gansel. Marion Boyars, £5.95, 127 pages

**The Man Who Lost the War**  
by W. T. Tyler. Collins, £6.95, 369 pages

**A Good Man in Africa**  
by William Boyd. Hamish Hamilton, £6.95, 251 pages

**The Golden Sabre**  
by Jon Cleary. Collins, £6.50, 300 pages

*The Interceptor Pilot* is written as a film script:

"Cut to a shot of the impressive front door of a firm of investment lawyers. The lettering on the frosted glass lists the partners and gives the impression of an old and established firm. Dissolve to a shot of one of the interior offices. It is spacious and comfortable..."

And so on. No background information, no description of the characters, no analysis of

behaviour disturbs its objectivity. No judgments are made, no sides taken. We are shown the external action, exactly as in a film, and must draw what conclusions we can from it, must imagine what the people look like (since we don't see them, as we would in a film), how they feel, what made them do this or that, what will happen later. The thread of narrative is all.

An American academic, horrified at his own action in the Korean war (in particular his bombing of a school), which earned him decorations and fame, offers himself to the North Vietnamese when America is next involved in an Asian war and uses his fighting skills in the air to intercept and shoot down American bombers before they can get through to their targets.

His success is enormous. He is more experienced than the younger American pilots who come bombing, he is light and free in an unloaded plane whereas they are heavy with

bombs above unknown country; they have little chance of escaping or outwitting him. Then both sides decide to get rid of him. The Chinese, when his propaganda value is at its height, the Americans when he has killed too many of them to be ignored.

It is probably impossible for anyone outside America to react to the story itself (a man choosing for ideological reasons, to kill his own countrymen) with the expected degree of outrage, anger, sympathy or whatever else it may be. We are not close enough. The point is that it is a violently emotive story. And dealt with in the coolest, least emotive manner possible, without outrage, anger, sympathy or anything else, on either side.

The method (a film script) is original but not particularly successful. Functionally, it doesn't really work. A film script is the raw material of a film, not the finished version of a novel. As well put ice-skates on a tennis player or a plastic bag over Hamlet's head. That would be original too, but functionally just as inept.

The Blunt affair made it clear that our world, far from lacking drama, adventure and astounding revelations, had them under our very noses, waiting to be revealed, so close and in such familiar (if unrecognised) disguises that anyone might reasonably wonder just who among his acquaintances, if not close friends, had the most interesting and complicated story of agents, double agents, underground betrayals and unreconcilable loyalties with some very good writing and some interesting situations, characters, and moral dilemmas.

The trouble is mainly a technical one. There are too many characters, too fully fleshed for

minor roles but too briefly touched upon for lasting interest; too many centres of sympathy; too many locations, all over central Europe and on its outer fringes (London, Barcelona); too difficult a plot, too complex a moral situation.

But faults of this kind notwithstanding, it's a novel of a good deal of interest and strength, written (as it is conceived) with great density, and when a particular scene or moment of feeling comes off, the effect can be powerful.

By William Boyd I have read only one thing, a short story that stayed in my mind for some quality that suggested not just promise but a writer, already formed. His first novel, *A Good Man in Africa*, suggests the same. It is about British life today in a West African country, but Boyd is in an unusual position, in writing about the Deputy High Commissioner, the expatriate garden parties and the VIP visitors from London, because unlike most people who write about the British in Africa he was born in Ghana and brought up there and in Nigeria. Gordonstoun came later, but the really formative years were all spent in the country he writes about, the sounds and smells and landscapes are those of his own childhood.

His novel is a gloomy comedy, mostly about oneupmanship and the impossibility of anyone even mildly likeable coming out on top. The good people are all on the fringe of the action, out of the main line of events—a secretary, a servant, a dour Scot, and perhaps the ungainly hero with his gracelessness, who never knows quite what to do, how to say things, what to wear or where, at the right moment, to be.

Lastly, my week's "good read," unambitious, unpretentious, and entertaining. Jon Cleary's *The Golden Sabre* takes that adventurous standby, the journey of escape. Near Ekaferiburg in 1917, with the Tsar not long dead in the cellar, an American oilman called Matt falls foul of the local Whites. Blood curdling stuff.

## Alice in Poetry-land

BY NICOLA BEAUMAN

**The Slender Tree: A Life of Alice Meynell**  
by June Badeni. Tabb House, £10.95, 269 pages

A poet of one mood in all my lays  
Ranging all life to sing one  
only love...

Alice Meynell wrote these lines in her mid-20s and they were prophetic of all her future poetry. It continued middle-brow, Christian and of limited appeal today. Yet the flawless beauty of her lyrics was once greatly admired and in 1913 she was considered as a possible Poet Laureate. Her moral fervour won her popularity: being a Roman Catholic convert she was not consumed by doubt and Darwin, and continued to write earnest Christian poetry even when it was out of favour with her late Victorian or her Georgian contemporaries.

She disliked 18th-century poetry, preferring feeling to wit and reflection to imagery. And although a very close friend of Coventry Patmore, who was in his turn a friend

of Gerald Manley Hopkins, she seems to have been unaware of Hopkins's poetry despite Patmore's enthusiasm; nor was she influenced by the work of Francis Thompson, the Catholic poet cherished with utmost patience and devotion by her and her husband.

Born in 1847, she led a peripatetic childhood, often in Italy or in lodgings, educated by her father and at first overshadowed by the success of her sister as a fashionable painter of battle scenes. She was early of the opinion that "women should have work for the mind" and resolved to "cultivate that rhyming faculty." The publication of her first volume of poetry in 1875 led to her meeting Wilfred Meynell, an impoverished journalist and also a Catholic convert.

Her life from now onwards became extremely settled. She and Wilfred built themselves a large house in Bayswater and they had seven children. Their income was entirely from journalism. Wilfred, having been asked by Cardinal Manning to become editor of the Weekly

Register, Alice proof-read and translated paper encyclopaedias and also became a prolific journalist in her own right, contributing essays, book reviews, art and literary criticism to many different periodicals. Her essays on writers such as Dickens or on different aspects of childhood are still worth reading though the prose style is somewhat solid—a not atypical opening of an essay called "The Child of Tumult" reads:—

A poppy bud, packed into tight bundles by so hard and resolute a hand that the petals of the flower never afterwards lose the creases, is a type of the child.

Comparison with the Webbs and Woolfs is inevitable. There have not been many devoted married couples both of whom met deadlines at the same literary table and who supported themselves by their writing. Alice, although a loving mother, was undomestic. Once she noticed one of her daughters darning a sock and wondered aloud who had been doing the darning all through the years.

## W.H. Smith £2,500 Literary Award.

Isabel Colegate

has won the  
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## LANGUAGE COURSES

FINANCIAL TIMES REPORT

## Sealing contracts with a foreign tongue

THE DAYS when English-speaking markets took the bulk of British exports are over. Only 26 per cent of the United Kingdom's exports now go to the English-speaking world (North America and the Commonwealth).

Linguistic ability will not only save time and expense, it will also make it easier for the exporter to build up an effective rapport with his customers. In many competitive industries this is likely to make the difference between a contract won and a contract lost.

Those wise words were uttered in a report by the British Overseas Trade Board just over 18 months ago. Since then, the share of UK exports going to English-speaking countries has by some accounts declined further, perhaps to less than a quarter. But there has plainly been a corresponding increase in the effort of the UK business community as a whole to improve its stock of skills in the languages of the rest of the world—an effort which the BOTB report was intended to stimulate.

Certainly, the board's initiative has produced a measurable response, not least because a committee was formed to follow up the report's findings. There have been developments of two main kinds.

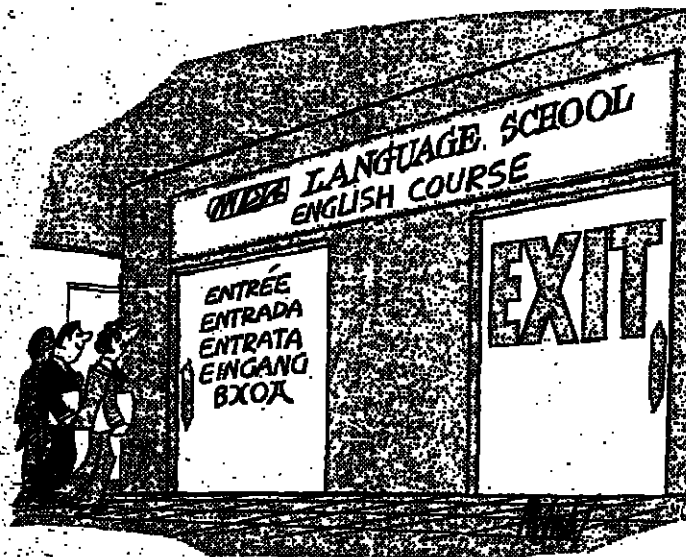
One is a continuing series of conferences in which the economic importance of the use of foreign languages as tools of everyday communication is demonstrated by the "converted," who include salesmen who rely on the skill for their living.

At least two such conferences have been attended mainly by teachers of schools, which foreign languages are not as much sought after as cultural subjects, whose literary sessions form an enriching part of the academically minded minority of children. Another meeting was attended mainly by business managers. But there has not yet been a conference at which significant numbers of educators and indus-

"Fiddling while Rome burns" makes an apt summary of the findings of this report of language-learning activity in the UK. Or probably "sputtering while the world turns cold" would be more appropriate, and for two main reasons.

First, UK business people generally continue their ancestors' haughty apathy towards learning more than a bluster or two in even the major foreign tongues. Second, the U.S. seems to be capturing a rapidly increasing share of the teaching of English to overseas nationals.

Michael Dixon reports.



## LONDON CHAMBER OF COMMERCE FOREIGN LANGUAGE EXAMINATIONS

	Elementary-level examinations		Intermediate-level examinations		Advanced-level examinations		All levels	
	Number entered	% passed	Number entered	% passed	Number entered	% passed	Number entered	% passed
1970	915	78	544	74	214	75	1,673	77
1971	865	80	464	73	128	73	1,457	77
1972	1,098	83	556	62	166	71	1,820	77
1973	1,383	83	508	67	136	68	2,027	77
1974	1,394	85	464	74	142	74	2,001	82
1975	1,145	86	439	75	157	86	1,741	84
1976	1,109	85	512	86	166	87	1,787	85
1977	1,207	85	550	87	266	87	2,023	86
1978	1,137	85	592	82	266	85	1,996	85
1979	1,051	88	475	84	151	80	1,687	85
1980	1,082	91	488	89	152	91	1,722	90

trialists have mingled.

The impression that, of these two groups, the educators are the less self-satisfied, may explain the direction of the other initiative. Here a small working party is seeking ways of persuading head teachers that children should keep up language studies throughout their schooling, even if they are not taking the languages in the national examinations.

The party is working to provide a framework of teaching methods and materials, within

which schools can teach foreign languages as tools of communications, in both spoken and written forms. The aim is to provide an incentive to a certain extent, stating how long the pupil pursued the practical course and with what success. Although there would be no exam as such, the standards of proficiency represented by the certificates would be supervised by a body approved by the BOTB.

But whether even this "nationally recognised" certificate would persuade enough schools to supply the much needed practical teaching, would

depend on whether employers generally valued—and were seen to value—the certificates when selecting young people for jobs. This would in turn depend, of course, on UK employers' general recognition of the importance of foreign-language skills to their businesses.

Unfortunately, anyone who counted on such a general recognition would be embodying the triumph of hope over experience, as the accompanying table indicates. It sets out the annual results since 1970 in the foreign-language examinations

run by the London Chamber of Commerce and Industry.

These results are a far less than comprehensive measure of UK business interest in acquiring linguistic skill, but they offer a fair indication of trends. The exams are directed specifically to the commercial and industrial use of foreign tongues, and can be taken by employees on their own company's premises as well as in various regional centres.

At elementary level (where the entry fee is now £8) a pass signifies the basic proficiency to deal, for example, with a

fairly routine telephone call. At intermediate level (£9) a pass represents ability to carry through standard business transactions with a co-operative, as distinct from cunning, customer and to converse socially to a tolerable, if limited extent. At advanced level (£12) a pass requires command of a wide range of vocabulary and syntax, enabling business to be done in the foreign language as competently as in English.

Of last year's total entries, French accounted for 828, a decline of six on 1979; German for 649, a rise of four; Spanish for 159, a rise of 49; and Italian for 83, a drop of eight. Dutch was seven higher at 10 entries; Arabic two higher at seven; Portuguese up from two to three; Russian down from four to one; and Chinese had two as against none in 1979.

Certainly, the overall pass rates have shown a mainly steady improvement over the years, and the 1980 total entries showed some recovery from the previous year's level, which was the lowest since the UK entered the Common Market. But even a committed optimist could scarcely describe the apparent trend since the BOTB published its report as anything but a very marginal improvement.

That description of the trend is independently confirmed by those now struggling to hammer the report's message into the complacent heads of the bulk of business concerns. "There are exceptions with admirable language policies—W. S. Atkins and Partners and Redman Heenan among them," said one. "But for the most part, companies can't be bothered to make the effort."

Moreover, it appears that among the thousands of unemployed managers and senior specialists in this country are many who claim fluency in another major language as one of their qualifications. So the depressing signs are that the UK business community in general is not just apathetic about its lack of linguistic skills, but wasteful even of those it has.



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## English teaching forced overseas

IT IS not long since the only image called to mind by the words "North Sea" was one of chill, grey water. Today, however, the same words immediately evoke the idea of oil. Which shows how the discovery of a new asset of world-wide value has affected the currency of an ancestral one: the English tongue which has developed into the business language of the world.

There are, of course, fundamental differences between the two. North Sea oil is a wasting asset whose nature is unchanging, and the British Government seems anxious to make the most of it. The use of English language changes its nature but need never exhaust its asset value, and the Government seems careless about giving it away for exploitation by other countries.

This nonchalance about the language asset is the more remarkable when the Govern-

ments of studying English with a holiday in the land where it originated.

Now they can no longer do so, and if the share of the holiday-centred students going to the British-owned business-run schools continues to diminish this summer—which appears almost certain—a fair number seem doomed.

It is true that their plight cannot all be blamed on the Government. In many cases, EFL businesses were formed by entrepreneurial teachers whose lack of managerial skill has only lately been exposed by the ending of what many mistook for a self-generating demand.

The problem can also be partly attributed to external circumstances such as the strong pound, which has made the competition of EFL schools now springing up in America and other English-speaking countries, far more effective than ever before. United States

nature is far more sensitive to price than to quality of instruction. Since it is on the holiday-centred trade that so many of the UK businesses rely for their profitability, the advantage has already proved a killing one in some cases and looks bound to prove the same in many more.

But while the destructive effect of Britain's virtually unparalleled insistence on charging VAT on educational services is plain for all to see, officialdom is apparently deter-

mined not to notice it. The only response from Ministers and MPs to the EFL schools' representations is that since the rules do not recognise the possibility of this kind of exploitation, it simply cannot be happening.

A cynic might suspect the reason is that it is more expedient for a Government to give away several tens of millions of foreign exchange to overseas competitors, than to admit that it is failing to practise what it preaches.

"The swing towards studying in the U.S. has profound, long-term implications for the further development of the international use of English."

ment is publicly pledged to the promotion both of the UK's overseas earnings, and of small business activity. The British organisations now suffering from the carelessness are essentially small businesses, and the earnings, on which they and many others in their localities formerly prospered, was brought in from overseas by the teaching of English as a foreign language (EFL).

Since the EFL suppliers are mostly small, scattered and often only seasonal businesses, nobody knows how much foreign currency they collectively attracted. But in their boom days of three or four years ago, those operating within the UK must have pulled in at least £20m annually in tuition fees alone, not counting the money their imported students paid for accommodation or spent casually.

Prosperity is not the word for their collective condition now. The inflow of students, which at its peak must have totalled more than 200,000 a year, is much diminished. Of the tuition fees still being paid, a declining share seems to be going to British-owned schools, which are run as businesses—and thence in part to the national Exchequer—as distinct from the EFL schools which are either charitable trusts, foreign owned, or both.

A few small schools have closed and some large organisations have cut their capacity and staff of teachers. Numerous others are probably only just surviving.

Traditionally, EFL schools have barely broken even during the winter with relatively few students, usually on longish courses to learn English as an aid to their careers. But they used to be able to count on repaying their debts and making their profits when the coming of summer crammed them with foreigners combining short

operations in particular are evidently capturing an increasing share of students from Europe as well as South America and the Far East.

The swing towards studying in the U.S. has profound, long-term implications for the further development of the international use of English. For the American version of the language is far from the same as the British version (an American who is "mad about his flat" is not enthusiastic about his home, but angry because his tyre has gone down). So the more overseas business people go to the U.S. to study, the more the international version of the language will adopt the American usage, and the less point there will be in coming to study the language in Britain.

Unlike their counterparts in virtually every other country, the UK private-enterprise suppliers of educational services are charged value added tax. At the current rate of 15 per cent the VAT represents a considerable added cost, which the schools subject to it cannot avoid reflecting in their fees. They are thus constantly at a disadvantage to competitors who can avoid VAT. Nor are these privileged competitors confined to the big EFL organisations which have the status of charitable trusts.

Over the past few years, the market for the supply of EFL teaching in the UK has been invaded more and more by companies based on the continent of Europe. By selling their services and collecting the bulk of their fees outside Britain, and by bringing in not only foreign students but also foreign teachers of English, these companies can largely avoid paying VAT.

As a result they have a built-in advantage, particularly in competing for the holiday-centred trade which by its

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David Churchill looks at the latest attempt to reform the law on Sunday trading

# Why you may not buy a Bible on Sunday

IF YOU buy a Bible on a Sunday you will almost certainly be helping the retailer to break the law. Bibles, along with all books, cannot be bought from a shop on a Sunday unless bought from a travel terminal. But there are no such restrictions on buying a newspaper or magazine.

That anomaly is only one of many that make the Sunday trading laws in England and Wales open to constant attack by countless consumers and many thousands of shopkeepers. Mothers, for example, can buy gin on a Sunday—but not dried milk for their baby's bottle. Motorists can buy tyres—but pedestrians cannot buy shoes. Fresh fruit and vegetables may be bought—but not tinned peas or peaches. You can buy aspirin from a chemist—but not a toothbrush. Postcards are all right in certain areas—but not birthday cards.

And fish and chips, that great British institution, may not lawfully be sold by a fish and chip shop on a Sunday—but it can with impunity. (Shops can sell partly-cooked tripe if they so wish.)

Such absurdities—and open flouting of the law in some places—have not surprisingly led to many attempts to bring the legislation in line with reality. Since the 1950 Shops Act which governs the present situation came into force there have been nine unsuccessful attempts to change it. The 10th try will have its second reading next week.

The Bill is a Private Members' Bill sponsored by Sir Anthony Meyer, a Conservative MP who came fourth in the ballot for Private Members' Bills. The Consumers' Association knew that Sir Anthony had an interest in shop hours, and so it approached him with a Bill drafted by its legal officer, Mr. David Tench.

UNDER the 1950 Shops Act, all shops must shut for trading on a Sunday, but with certain exceptions:

- Products: Schedule 6 of the Act lists the foods and products which can be sold. These include fresh foods (but not meat or packaged groceries), sweets, cigarettes, newspapers, medicines, car spares, etc.
- People: retailers can claim exemption on religious grounds, but only if they close on another day (e.g. observers of the Jewish Sabbath).
- Holiday resorts: traders in resorts can open for 16 Sundays a year to sell food and certain other items, but only with the support of two-thirds of local shops.
- Street markets: certain markets in London are allowed to open until 2 pm on a Sunday but only if this was common practice before the 1950 legislation. Many other markets, therefore, are operating illegally.

The odds are rated about even for its success, especially since the Bill deliberately attempts to be placatory towards the concerted opposition (especially from the trade unions) to any change in the present anomalous laws.

The laws governing Sunday trading date back to the Fairs and Markets Act of 1448. Many piecemeal changes have been made since then, and the various statutes were brought together in 1950 in the Shops Act.

Both sides have well-rehearsed, complex and seemingly entirely logical reasons why trading on a Sunday should—or should not—be allowed. The arguments can be summarised as follows:



Guess who is frying on Sunday...

## FOR CHANGE:

● The present law is riddled with anomalies and openly flouted by shops in many parts of the country. Enforcement, which is the duty of local authorities, varies from district to district.

● Shoppers and shopkeepers should have the freedom to choose when to shop. "There is no need for the state to act like a molly-coddling nanny and intervene in this process," argues the state-financed National Consumer Council.

● A significant minority of consumers want an extension of shop opening hours, especially on a Sunday, according to various surveys carried out by the Home Office, National Opinion Polls (for the NCC), Which?, and Woman magazine.

The surveys showed that consumers most wanted to be able to buy goods on a Sunday from food, chemists, furniture and clothing shops.

● Social and retailing patterns have changed since 1950. There is now a wide range of sporting and social events on a Sunday; car ownership is more widespread and many people prefer to do a week's shopping at one time with the aid of their car; and there are more working women now who cannot shop on other days of the week.

● Many retailers themselves believe that Sundays could generate extra trade, especially welcome in the current recession.

## AGAINST CHANGE:

● Sunday trading would lead to higher costs—such as rents,

rates, electricity, and labour—which would have to be paid for in the form of higher prices for the consumer. This, in turn, might further depress the volume of sales at a time when retailers could least afford it.

● The effect on shopworkers. One of the main reasons for the 1950 Shops Act was to offer some protection for shopworkers who were often exploited by retailers. At that time, trade unions in the retail industry were weak and badly organised.

The Union of Shop, Distributive, and Allied Workers—which has some 450,000 members in retailing and sponsors five Labour MPs—is firmly against Sunday trading.

● Many small shopkeepers, in particular, are loath to lose their traditional "day off" and are

opposed to any change in the law for fear that they will be forced to open on a Sunday by the pressure of competition.

● The religious lobby. The Lord's Day Observance Society last week celebrated its 150th anniversary. However, with the steady decline in church attendances in recent decades and the prevalence of sporting events on a Sunday, its lobbying power appears to be on the wane.

But while the issue of Sunday trading still remains open in England and Wales, in Scotland retailers have for a long time been free to trade on a Sunday.

The Habitat furniture stores group has been one of the most persistent advocates of Sunday trading in Scotland. Habitat opens in two Scottish stores on a Sunday, but closes completely on Mondays. Trade on a Sunday accounts for between 25 and 30 per cent of the total weekly turnover of each store. Because it still opens only six days a week, Habitat says that the increase in costs has been "minimal," if any.

Another major retailer, the Asda superstores group, is currently experimenting with Sunday opening in three Scottish stores. Asda made clear yesterday that it would not have started the scheme if it thought overheads would increase significantly. Like Habitat, Asda shuts its stores in Scotland on a Monday and no price rises have been necessary.

The Scottish experience also suggests that Sunday trading would not be as widespread as its opponents fear. In Glasgow, for example, Sunday trading is most commonly found in a semi-open street market known locally as "Barrowland." The Glasgow Shops Inspectorate reports that Sunday trading is beginning to spread to other parts of the city, including the centre, but mainly only to furniture stores, do-it-yourself shops,

THE FOOTBALL League this weekend starts an experiment to see if Sunday football, first tried in 1974, can help bring the crowds back.

Cricket has already discovered the advantages of staging matches on Sundays and next summer some of the Tests, in addition to the John Player League matches, will be played on Sundays.

In 1974 attendance figures for the struggling soccer clubs in the lower divisions almost doubled and the League expects to see something of the same improvement this time.

The main obstacle to Sunday football is not the Lord's Day Observance Society but the football pool companies, who have a lucrative contract with the League.

However, normal gate charges are illegal on Sundays, so admission has to be by a high-priced programme, with a complimentary admission ticket.

and discount operations.

Experience in England and Wales has been limited by major stores being unable to open on a Sunday, even though thousands of small traders successfully (if illegally) open for business then.

Habitat successfully opened one of its main English furniture warehouses for several years on a Sunday, before a change of council led to prosecution and closure. But it also found that Sunday trading gave it almost exactly 30 per cent of its weekly takings—similar to the Scottish experience.

The Whiteleys department store in London's Queensway also tried to open on a Sunday last summer in common with most of the small shops in that part of London. But the store's

brazen disregard of the law in its newspaper advertisements led Westminster City Council to seek an injunction preventing Whiteleys from opening on Sunday.

The injunction eventually appears to have been refused (the hearing was in closed chambers) but Whiteleys is awaiting the outcome of the new legislation before deciding what to do next.

Supporters of a change in the law are more hopeful about the success of next week's Bill than about most other attempts in recent years. Sir Anthony's Bill is not as far-reaching as previous ones in trying to liberalise the shop opening laws. It would give local authorities the power to enable shops to extend their opening hours if they so wanted, but still limit the maximum number of hours that could legally be worked by employees.

The Home Office has compiled an internal report on the many anomalies that result from the present Shops Act, although it is not believed to recommend any major legislative initiative by the Government. However, it is likely that the need for some reform of the law will make the Home Office and Government adopt at least a neutral stance to Sir Anthony's Bill.

Even if the Bill succeeds, and Sunday trading is made easier, neither consumer groups nor retailers expect all shops to open immediately on a Sunday. It seems likely that any extension of trade will be both gradual and confined to smaller food shops, discount stores, and those selling home furnishings, clothes, and do-it-yourself products.

But in the end, it will be up to the consumer to decide how to use the freedom to buy not only what he wants but also when to buy it.

## Weekend Brief

### Coming up from Down-under

ONE OF the dozens of Australian journalists, who has much respect—but little love for Rupert Murdoch—said of the guarantees that have been given to ensure the editorial independence and integrity of The Times: "I am sure Rupert means well, and has a genuine desire to give the paper those guarantees. I am equally sure it will require almost superhuman restraint on Rupert's part not to interfere."

The speaker was one of a litany of editorial executives who have passed through the Sydney headquarters of News Corporation, but like all those who have prospered or perished in Mr. Murdoch's employment, he still finds the publisher an enigma. "The truth is," he said, "that the man is not interested in power as such. He's just a newspaperman."

The key to Murdoch's restless desire for new editors, new headlines, or new politicians he can support or cut down probably lies in that description. "Rupert is push, push, push," says Leslie Hollings, managing editor of the Australian, a former Printing House Square man who joined News Corporation 12 years ago and is one of the longest survivors. "Rupert is always searching for excellence, always searching for quality, and if somebody does not come up to scratch then we must find somebody else."

It is a fair comment. Although born into one of Melbourne's traditional newspaper families, Murdoch learned his journalism the hard way, on a fragile afternoon newspaper whose destiny



Rupert Murdoch: "That man is not interested in power as such. He's just a newspaperman."

he controlled, the Adelaide News. Every contest had to be won and he emerged with a better sense of news, a sharper sense of the crisp phrase and the tight headline, and a stronger sense of the political wind than most.

As Hollings says: "You can't not listen to him, because he knows more about the business than probably any other proprietor."

In a country where it is rare for a journalist to admit publicly that he has any regard for or empathy with his proprietor such statements are often seen as what is needed to ensure a continued tenancy. But Hollings' argument is valid, and there are many senior journalists who prefer to meet the proprietor and directors at an annual boardroom lunch than in the composing room or by the teletype.

But it is this kind of environment in which Murdoch loves to play the newspaperman. Red Harrison, former editor of the Sydney Sunday Telegraph and now BBC correspondent in Australia, said Murdoch seldom if ever gave him directions on how to run the paper.

terms of production and distribution reaching every corner of a vast largely unpopulated continent each day, it is a highly professional success. But it is unable to shake off its Sydney Metropolitan flavour, despite Murdoch's genuine desire to unite Australians. Because of this and because hard political decisions are needed on Australia's future, Murdoch has always tended to take the helm at election time.

Adrian Deemer said one of the problems was that the paper was an adventure and an experiment. "Murdoch was a very lively person to work with, but as it went on he became more demanding and autocratic," he said. "He became convinced in his own mind that he had the answer and was the only one who could be right."

Some of the more recent appointees were clearly unsuited to the daily strain of decision-taking, while others were moved elsewhere in the organisation. Others experienced staff problems when the paper shifted from its radical approach and declared or tacit support for Labour to a non-stop campaign against the then Prime Minister, Gough Whitlam, which culminated in the Governor General, Sir John Kerr, sacking him in favour of Malcolm Fraser.

Sydney journalist struck, and one editor remembers his own disbelief as he stared out of his office window watching crowds burning copies of The Australian.

Murdoch ridicules charges that his papers have supported business causes close to his heart. He points out that stories about Ansett Airlines (of which he owns half) are news. Others suggest his editors have reacted by publishing what they think is likely to be a sample to their boss. But Hollings, who ran a campaign opposing Value Added Tax when Murdoch personally favoured it, said: "He is a tough proprietor and a positive man, with positive ideas. But he was never stopped me from saying something I wanted to say. He tries to change your mind. You can have spirited discussions. But if you don't take his advice he does not come back at you."

But on the group's flagship, the Australian, the casualty rate has been high, with the average stay being 18 months, although most have stayed with Murdoch. One possible explanation for the changes is that no one has been very clear about what the paper is supposed to be. In

TODAY: Mrs. Margaret Thatcher speaks at Young Conservatives Conference, Eastbourne. Mr. Michael Foot, Labour Party Leader, addresses Labour Party Local Government Conference, Blackpool.

MONDAY: Balance of payments current account and overseas trade figures (January). EEC Finance Ministers meet. Brussels. Retail sales (January provisional). House of Commons Gas Levy Bill, second reading. TUESDAY: Commons debates threatened closure of Talbot Linwood plant. Meeting of EEC Foreign Ministers. Brussels. President Reagan to announce decision on Soviet grain embargo. Cyclical indicators for the UK economy (January).

## Economic Diary

executive to decide on whether to hold strike ballot. UK banks' assets and liabilities and the money stock (mid-January).

London dollar and sterling certificates of deposit (mid-January). Public sector borrowing requirement and details of local authority borrowing (fourth quarter). Preliminary estimate of gross domestic product based on output data (fourth quarter). New construction orders (December). Consumers' expenditure (fourth quarter, preliminary estimate). Capital expenditure by manufacturing, distributive and service industries (fourth quarter provisional). Manufacturers' and distributors' stocks (fourth quarter provisional). Scotland Yard statement on London's crimes figures.

FRIDAY: Mr. Michael Foot addresses Linwood workers, Paisley Grammar School. One-day strike by British Airways maintenance engineers and ground service workers at Heathrow. Turnover of motor trade (fourth quarter). Sales and orders in the engineering industries (November). SATURDAY: Mr. Michael Foot and Mr. Anthony Wedgwood Benn at march and rally against unemployment. Blythswood Square, Glasgow.

### It music be the food of love, play on

THREE lucky London women will awake today to what must be the ultimate in Valentine-ship: melodies composed in their honour on the occasion of the anniversary of St. Valentine.

One of the three melodies is a romantic little French number, a l'Aznavour, the second is a chirpy cheerful pop tune with Top Twenty pretensions, the third has a distinctly classical air. All three have been composed by songwriter-musician David Creech, who claims to have been inspired by Bach.

"Late last year we were talking about various composers and someone mentioned how Bach's work was almost always by special commission for birthdays, anniversaries and special occasions. I set me thinking about composing to order and I decided to write a piece for my mother on her

50th birthday. A friend of mine who heard it was very impressed and suggested that perhaps there might be a wider market for personalised compositions."

A month ago 31-year-old Creech, a former band leader, music teacher and now full-time composer, placed an advertisement in the personal columns offering the ultimate in personalised Valentine's gifts: a tune written specially for your loved one. What he was offering for the tidy sum of £100 was a piece of music or a song written and recorded expressly for the one of your dreams. It comes in a presentation cassette (with the loved one's picture on top if so desired), with a manuscript of the score, signed by the composer, and bound in a despatch, with a red lover's knot. Also thrown in is a share of the royalties just in case the song should be a smash hit.

"I had dozens of calls after the ad appeared, mostly from foreigners," said Creech. "One Arab gentleman said that the three-piece ensemble I was offering wasn't enough for his lady love—he warranted a full symphony orchestra. I gave him a price on a full orchestra but never heard back. I also had a

lot of calls from Frenchmen and Italians. But in the end the three actual commissions all came from Englishmen."

So how did Creech, once resident song-writer with the 1960s' most famous music house, Apple, go about writing songs to other men's ladies?

"Well I asked them what their ladies were like, and if there were any relevant factors that should be included in the words. In 'Madeleine' for instance, the gentleman who commissioned it is married to someone else and can't spend as much time with his lady love as he would like to—so there are references to time being short and to time running out."

Creech is convinced, despite only three commissions for this most auspicious of occasions, that there is a big market in Britain for "personalised" songs.

"In the U.S. it really is a growth industry—hundreds of songs were commissioned last Mother's Day for instance. And there is one composer who makes a living writing songs for people's dogs. No, I can't see myself going into that market—though a little Bach might be quite appropriate."

### Japanese wooers

Never can it be said that the Japanese let slip the yen potential of any market. It now appears that they are poised to strike at what is claimed will be the single largest sector of the world economy by the year 2000—tourism.

Much thought, it appears, has already been given by the Japanese Government to the development of tourism. Between 1970 and 1979 the government made finance available which increased accommodation in inns and hotels from 63,015 to 140,866 beds and between 1971 and 1979 subsidised the construction of some 80 youth travel villages.

### Contributors:

Colin Chapman  
Robyn Wilson  
Lisa Wood



## Companies and Markets

## UK COMPANY NEWS

## Interest costs hit Wagon Finance

SOARING INTEREST charges—up from \$5.85m to \$7.97m—have seriously affected the pre-tax profits of the Wagon Finance Corporation. Taxable profits for 1980 fell from £2.0m to £1.27m, which on a CCA basis, emerged as a loss of £102,943.

Turnover rose from £13.52m to £16.4m.

After tax down from \$1.1m to \$701,701, historic retained profits came out at £23,659 compared with £406,002, and stated earnings per 25p share are lower at 2.45p (4.05p).

At the year-end group instalment credit balances were little changed at \$80.02m (\$50.01m), less unearned finance charges of £10.78m (£9.62m), leaving \$49.24m (\$40.39m).

The final dividend is unchanged at 1.6575p for a same-again total of 2.3125p.

## Elbief Co. decreases to £103,000

DESPITE higher turnover of £1.33m, against £1.27m, pre-tax profits of Elbief Corporation fell from £121,000 to £103,000 for the half-year to October 31, 1980. The company manufactures handbags, leather goods, accessories and picture frames.

Since the half-year end the company has maintained its position in both the domestic and export markets, but the Board says it would be unwise to attempt to forecast results of the second six months.

The net interim dividend is being kept at 0.35p per 10p share, which has been waived on the previous year's total of 1.303p on taxable profits of £306,000.

Tax for the first half took £47,000 (£58,000) before taking account of any stock inflation adjustment of capital allowances which may become available.

## Law Land placing to raise £1.22m

The Law Land Company has placed 1,694,000 new ordinary shares at 77p per share to raise £1,225m, net of expenses, to complete the purchase of the freehold interest in Sardinia House, Lincoln's Inn, London, W.C.2, an office building.

The placing amounts to 4.5 per cent of the expanded ordinary share capital of Law Land.

The company already owns a short leasehold interest in Sardinia House.

## Hanson's men resign from CMT board

Mr. A. G. L. Alexander and Mr. R. D. Cowell have resigned as directors of Central Manufacturing and Trading with effect from yesterday.

They were appointed to the board as nominees of Hanson Trust when Hanson took a 13.3 per cent stake in the company in 1979. Subsequently, Mr. Alexander became chairman of CMT.

Both men withdrew from active participation in the company last November, when Hanson launched a bid for the remaining shares.

The independent members of the CMT board resisted the Hanson offer. A counter offer has since been made by Caparo. The resignation follows Hanson's decision to allow its own bid for CMT to lapse yesterday. On Thursday, Hanson sold its stake to Caparo.

## Advance to over £8.6m by Butlin's

AFTER interest charges up from £2.45m to £2.86m, pre-tax profits of Butlin's improved from £7.96m to £8.65m in the year to October 31, 1980.

The group, which operates holiday centres at Ayr, Barry Island, Bognor Regis, Clacton, Filey, Minehead, Mosney (Eire), Pwllheli and Skegness, saw its turnover climb from £64.99m to £73.75m.

Apart from its main centres, Butlin's is now heavily involved in camping and boating holidays which come under the Freshfields banner. Other interests include hotels at Margate, Blackpool, Brighton and Scarborough and a travel agency.

Tax charged was up from £2.97m to £3.71m, and stated earnings per 5p share are slightly lower at 4.45p (4.54p). Ordinary dividends absorb £4.52m (£5.47m). The ultimate holding company of Butlin's is the Rank Organisation.

## Crest Intl. USM listing

The Stock Exchange has given the go ahead for the shares of Crest International Securities to be traded on the unlisted securities market and dealings are expected to commence on Monday. The company, which has had its full quote suspended since 1974, cancelled its listing yesterday.

At a recent extraordinary meeting shareholders approved the acquisition of two property companies—Tom Farmer and Parban Company—and the subscription by Mr. Alec Stenson, the Crest chairman, for 1m shares. The Crest capital has been enlarged by acquisition issues and the placing of 14m shares (to raise £1.3m) by Henry Cooke Lumsden.

## Hirst and Mallinson in the red despite second-half rally

DESPITE A return to profitability in the second six months, Hirst and Mallinson still finished the year to November 1, 1980, in the red and is paying only a nominal dividend for the 12 months.

Second half pre-tax profits came out at £69,900 compared with £134,600, but there was a loss of £204,400 for the year as a whole against a profit of £295,000 in the previous year. Full year turnover fell from £18.66m to £15.06m.

The loss was struck after finance charges amounting to £120,000 after passing its interim dividend, the company is paying a final of 0.1p (1.3p)—last year's total was 2.6p. There is a loss per 20p share of 3.5p (earnings 5.2p).

The company has decided to discontinue its textile manufacturing activities and this has resulted in extraordinary costs climbing from £226,000 to £588,100. The board says this decision was to preserve the future stability and liquid position of the group, and this has been achieved.

The rationalisation of this part of the company's business was complete at the year-end, and it will not be possible for textiles to have a significantly adverse effect either on future profits or liquidity.

The distribution activities traded and continue to trade profitably, the directors state.

Commenting on the year's results, the board says the company has been hit hard by the recession. As anticipated at the half-year stage, the group traded profitably in the second half. It ended the year as a whole with a trading loss of £22,100, which was an improvement of £106,100 over the interim position.

During the year, the company had to take some difficult decisions and actions as a result of which it is now a leaner, but stronger company with substantially reduced fixed costs.

While, on the one hand, it has cut back those areas of its business which were based in unprofitable and declining industrial sectors, it has, on the other hand taken steps to develop the profitable parts of the business and to further establish activities in the growing market segments.

As part of its distribution activities, arising from the internal use of computers, it now sells computer-based business systems. It is the board's objective to extend this aspect of the group together with the other sectors of the company's operations where "they see potential for profit growth."

Net asset value per share is down from 48.7p to 27.6p. The company's interests, apart from textiles, include the distribution of catering equipment, pharmaceuticals and investment.

See Lex

## Cambridge Water incurs £51,000 net deficit

ALTHOUGH operating surplus of Cambridge Water Company fell slightly from £647,000 to £641,000, the pre-tax figure for 1980 showed an increase from £422,000 to £538,000.

After effecting a tax of £177,000 (£123,000) and dividends up from £238,000 to £412,000, the company was left with a net deficit of £51,000, compared with a surplus of £11,000. And Mr. M. N. Bradford, the chairman, says this deficit would have been greater had not temporary investments benefited from high interest rates.

Current cost deficiency for the year was also £51,000.

The national recession was the main cause of a fall in expected income of £58,000. Total income rose from £2.26m to £2.78m, while operating expenditure was up to £2.14m (£1.62m).

Although water charges were increased from April 1, 1980 by an average 24.4 per cent, they proved insufficient to cover cost increases and the chairman says it is already clear that a further substantial rise will be needed from April 1, 1981.

Such an increase must cover not only additional costs resulting from inflation and increased consumption, but also the cost of financing continuing heavy expenditure, he adds.

Mr. Bradford points out that consumers will not be required to contribute towards a levy imposed under the Water Charges Equalisation Act. During the year, the company was successful in achieving a good acreage position, then an independent quotation may be sought for the shares.

To balance its exposure in the North Sea, Berkeley has invested in "shallow and low risk exploration and development prospects in the United States," says the chairman. These prospects provide a fast payout of 14 years against a minimum of five years in the North Sea.

"During 1981 the company expects to participate in at least 30 wells," adds Mr. Orr-Ewing. In the future, it is possible that the company will become operator of limited prospects, he says.

The chairman also refers to the final 50p call on the shares and says formal notice of the call will probably be made in April.

The annual meeting will be held at the Institute of Directors on March 9.

## Berkeley Exploration's initial results show loss

BERKELEY EXPLORATION, the UK oil exploration company traded under the name of Berkeley Exploration, yesterday announced its first annual report and accounts, showing an operating loss of £277,000. After interest receivable of £127,000, the pre-tax loss comes to £150,000. Shareholders funds stand at £3.5m and the group's current cash balance is £400,000.

A £420,000 overdraft shown in the year-end balance sheet has been eliminated, according to the chairman, and there is a short-term loan of £300,000.

Mr. Colin Orr-Ewing, chairman, says Berkeley will drill between one and three wells a year in the North Sea, trying to share its exposure with companies or institutions.

Berkeley Seventh Round (BSR), the company applied for, is successful in achieving a good North Sea licence application, is successful in achieving a good

## Watsham's moves ahead

TAXABLE profits of Watsham's pushed ahead from £314,000 to £343,000 for the six months to September 30, 1980, on turnover of £1.57m compared with £1.28m.

Tax for the period took £129,000 (£118,000) for earnings of 8p (7.2p) per 25p share and the net interim dividend is held at 3.75p. Last year's total payment was 8.2p from profits of £795,595.

For the half-year minority profits totalled £28,000 (£27,000) and there was an extraordinary item this time of £19,000.

Mr. W. G. Haydon-Baillie, chairman, says the group has held cash on hand to await a complete analysis of future

markets and a wide spectrum of investment opportunities within them. The Board has identified many cases where the incorporation into the group of established and growing companies in chosen and closely related fields and using the group's strengths for further development is more advantageous than setting up similar facilities from the start.

The directors are negotiating a number of such opportunities for acquisition to deploy cash resources.

The group operates as a manufacturer of specialist products for the optical, telecommunication and industrial safety industries.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total of dividends for year
City and Foreign	0.7	April 29	Nil	Nil
Drayton Premier	7.2	April 3	6.8	10.7
Elbief	0.39	April 14	0.39	1.3
Hirst and Mallinson	0.1	—	1.3	0.1
Pentland Invest. Trust	4.8	April 9	3.95	6.35
St. Andrew Trust	3.8	April 13	3.25	6.3
Stewart European Invest.	—	—	—	—
Wagon Finance	0.75	March 9	—	2.4
Watsham's	1.89	April 3	1.89	2.31
Watsham's	3.75	March 31	3.75	9.2

\* Equivalent after allowing for scrip issue. \* On capital increased by rights and/or acquisition issues. \* Includes special non-recurring payment of 0.85p. \* Includes special non-recurring payment of 1p.

## In response to Fraser's letter to shareholders, Sir Hugh charges that... Circular does not contain all the facts

BY JOHN MOORE

SIR HUGH FRASER, deposed chairman of House of Fraser, the Harrods stores group, said yesterday that he and Mr. Tony Rowland, Lomro's chief executive, had reached an understanding to resist the appointment of



Sir Hugh Fraser

Professor Roland Smith as chairman of the Fraser group.

In a statement yesterday, issued through his Glasgow solicitors, McClure, Nairn, Brodie and Company, Sir Hugh responded to a circular letter sent to shareholders by a committee of the directors who are fighting a 150p per share cash offer from Lomro.

In the House of Fraser letter which was sent to shareholders on Tuesday, it was said that both before and after an extraordinary general meeting called by Lomro to oppose a sale and leaseback deal of Fraser's D. H. Evans store, Mr. Rowland had publicly indicated his extreme dissatisfaction with Sir Hugh as chairman.

"Only two days later, on Thursday, January 22, 1981, Sir Hugh Fraser reached a private understanding with Mr. Rowland without the knowledge of any of his Board colleagues although, as you will know, he had until this time stood shoulder to shoulder with the rest of us to repel

Lomro's unwarranted interference in the affairs of your company," the letter said.

Sir Hugh said yesterday that "the only understanding reached was the one prior to the board meeting on January 28, 1981, to the effect that he could rely on Mr. Rowland's support at that meeting in remaining as the company's chairman and that the appointment of Professor Roland Smith should be resisted."

"This was the full extent of the understanding which in no way conflicted with Sir Hugh's duties to the board and the shareholders."

Sir Hugh said that he "was then and is now of the view that Professor Smith is not the right person to chair the company's board," and alleged that "it would appear to be an appointment simply for the purpose of resisting Lomro's offer and in these circumstances Professor Smith's impartiality

may be open to question."

Sir Hugh added that he "does not consider that the board's circular is either straightforward or contains all the facts which are material in connection with the board changes."

He did not "consider it appropriate to deal with the proposed offer in detail at this stage other than to point out that the circular letter is misleading in the inference in its statement that the full value of the company's assets belongs to the shareholders. The value of the shares is determined in the stock market by the market price. It is mainly this which must guide the shareholders in their reaction to any offer."

Lomro is planning to send its formal offer document to Fraser shareholders detailing the 150p per share cash bid on Monday. At the same time a circular calling an extraordinary general meeting on March 4 of Lomro shareholders will be dispatched.

House of Fraser is likely to

be sending out its next major defence document the following week which is expected to show a revaluation of the group's assets together with an indication of profit figures for the financial year ending January 1981.



Prof. Roland Smith

## BIDS AND DEALS

## H &amp; C bids for rest of London Sumatra

Harrisons and Crosfield, the plantations group, is making an offer worth £30m for an outstanding 53.4 per cent of the equity of London Sumatra Plantations.

Harrisons is offering London Sumatra shareholders 483 Harrods shares in return for 1,000 shares in London Sumatra.

London Sumatra's trading on the London stock market. On yesterday's closing share price each share in London Sumatra is valued at nearly 353p.

Baring Brothers, merchant banking advisers to Harrisons, has agreed to provide a separate cash offer to the shareholders of London Sumatra. They will purchase for cash at 720p per share, free of expenses, all or any of the holdings of 2.5-5 per cent stake, S. A. Siper N.V., a listed Belgian plantation company principally operating in Indonesia, and a wholly-owned subsidiary of McLeod Russell, a plantation company—had made an approach to sell their stake.

The vendor shareholders are accepting the offer in respect of the offer, Harrisons and Crosfield said that a group of London Sumatra shareholders—RIT Ltd., formerly Rothschild Investment Trust, which holds a near 11 per cent stake, S. A. Siper N.V., a listed Belgian plantation company principally operating in Indonesia, and a wholly-owned subsidiary of McLeod Russell, a plantation company—had made an approach to sell their stake.

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share offer will become entitled.

The cash offer will be subject to the share offer becoming unconditional.

The cash offer places a value of 333.4p on each London Sumatra share.

Explaining the background to the offer, Harrisons and Crosfield said that a group of London Sumatra shareholders—RIT Ltd., formerly Rothschild Investment Trust, which holds a near 11 per cent stake, S. A. Siper N.V., a listed Belgian plantation company principally operating in Indonesia, and a wholly-owned subsidiary of McLeod Russell, a plantation company—had made an approach to sell their stake.

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than £50m and the earnings per ordinary share for 1980 will be of the order of 48p.

This estimate is stated before the profit after taxation attributable to ordinary shareholders amounting to £4.9m which arose in November on H and C ordinary shares held by its subsidiaries; this will be dealt with as an extraordinary item.

A final dividend for 1980 of 20p per ordinary share will be paid making a total dividend of 28p per share net.

The group added that it has commenced negotiations with an unnamed American group with a view to acquiring part of its chemical business. A purchase price of \$50m would be likely, although, assuming a final agreement on the deal, the completion of the deal would not take place for some months.

The H and C board warned that its group profits for 1980 will be lower than 1979—when it reported pre-tax profits of £58.4m—but should not be less

business during the next few years at a time when the Kingdom is embarking on a £100bn 'five year development programme'.



## SUMMARY OF THE WEEK'S COMPANY NEWS

## Bids and Deals

In the wake of Hanson Trust's 49p per share offer for Central Manufacturing and Trading, Caparo, a private holding company, made a 55p per share cash counter bid for the 78.5 per cent of CMT it does not already own which values the concern at just over £14.5m. The bid follows a takeover panel directive to Caparo to make an offer for CMT or announce the termination of discussions. On Thursday, Hanson allowed its offer to lapse and sold its 13.3 per cent stake in CMT to Caparo for slightly over £1.5m.

Huntingdon increased its offer for Stage Line from 355p to 430p per share cash and gained the backing of the Stag Line board.

Lloyds and Scottish dropped its £106m bid for United Dominions Trust and left the field clear for Trustee Savings Bank which launched a 57p per share cash offer for UDT at the end of January.

Belhaven Brewery, the Scottish independent brewing group, is negotiating further into the leisure industry by the acquisition of Dene Holiday Camp for £12m.

Company bid for	Value of bid per share** price**	Price before bid	Value of bid per share** price**	Final Acct'ce date
Bristol Evening Post	180p	173	105	5.92
Central-Man. and Trading	55p	52	11.4	Caparo
Colmors Lays	33p	33	30	13.2
Davy Corp.	189p	149	149	143.1
Eva Inds.	40p	40	37	2.73
Evered	22p	24	117	1.28
Hawthorn Leslie	130p	143	107	3.49
House of Fraser	180p	144	122	158.3
Laverack	35p	31	35	7.12
London Sumatra	353p	355	340	30.04
Negretti and Zambra	25p	26	301	0.80
Record Ridgway	42p	40	20	4.7
Renwick	85p	88	77	7.54
Robertson Foods	165p	160	97	19.22
Royce	27p	28	28	2.8
Stag Line	430p	421	270	5.30
UDT	57p	57	42	109.8
Witter (T.)	54p	54	42	0.89

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. \*\* Based on 19/2/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. †† Unconditional.

Ray Dafter details the entry of private funds in State oil operations  
Clearing a path to opening BNOC

THE PETROLEUM and Continental Shelf Bill introduced in Parliament yesterday represents the Government's first step towards introducing private capital into the British National Oil Corporation, the State oil undertaking.

But the timing and form of this "privatisation" exercise remain obscure. Mr. David Howell, Energy Secretary, would say no more than: "The Government is working on schemes but it would be premature to say in what form the eventual scheme will be brought forward. We see our first task as taking the necessary powers."

Two options are being considered: the issue of equity bonds and the disposal of shares. In either case the introduction of private capital would affect only the exploration and production arm of the corporation. The Government is determined to keep full ownership and control of BNOC's oil trading arm.

The trading interest sells a small deal of oil which is not owned by the corporation but is sold under State participation arrangements with oil companies. In addition, the Energy Department is anxious that the trading interests should be kept in State hands to preserve the national security of supplies.

It is when the Government goes ahead with the public sale the corporation will have to find some way of separating the trading arm from its exploration and production activities. In practice this is unlikely to result in a corporate structure much different from that operated at present. But the privatisation plans could bring one anomaly which might cause some friction among the 2,000-strong BNOC staff.

The Bill provides for the creation of a profit-sharing scheme for employees of these subsidiary companies affected by any share disposal. However, the proposals as outlined would exclude trading staff from such a scheme.

One of the problems frustrating a speedy change in BNOC's capital structure is the wide range of the corporation's interests. Beyond the Government can sell shares or issue bonds it has to unravel and modify the plethora of partnerships built up over the past five years.

BNOC has 21 partnerships in oilfields either in production or under development. It has interests in some 150 offshore blocks and virtually all of these licences involve other companies. The number will increase as a result of the seventh round licences now being awarded.

The Government fully recognises that BNOC is one of the more attractive targets for investors seeking stakes in State corporations. In 1979 it made a takeover profit of £75m. With rising oil output and increasing energy prices, profitability is growing rapidly. By the mid-1980s surpluses could be in excess of £10m annually. Assets are currently valued at about £20m.

BNOC is the most active explorer in the North Sea. Last year, for instance, it drilled seven wells as operator and 18 as a non-operating partner. These interests represented 30 per cent of the total number of exploration wells drilled in the year.

The corporation has equity interests in more licences than any other UK continental shelf company—more than a third of the total licensed area. Many of these interests were acquired under the Labour Government when BNOC was being developed as a national asset. Under the Conservatives the corporation has no special privileges other than the right to handle 81 per cent of any oil produced.

BNOC is also involved in a greater number of commercial field developments than any other company. It is operator in three ventures: the Thistle field, now in production; Beatrice, which is under development; and Clyde, which is in the conceptual planning stage. The corporation also has interests in the Dunlin, Murchison, Ninian, Statfjord, Brae, Hutton and Viking fields, all of which are on stream or under development.

The corporation's equity share of North Sea oil production is expected to grow from 85,000 barrels a day last year—about 100,000 b/d at present—to some 150,000 b/d by the mid-1980s.

It will be these equity interests and others that would probably feature in any privatisation scheme. The Bill provides powers for BNOC to dispose of the whole or part of its oil exploration business. This can be done either by the corporation taking steps of its own or being directed to do so by the Energy Secretary. Other provisions in the Bill include:

• The severance, at some future date, of BNOC's links with the National Oil Account. As a result the corporation would be financed from the National Loans Fund like other State undertakings. The NOA would be abolished.

• An increase in the corporation's borrowing limit to £800m, from £600m at present, with provision for this limit to be raised to £1bn instead of £900m. These changes, which will not affect the Public Sector Borrowing Requirement, partly stem from the break in NOA funding.

• An end to BNOC's statutory duty to tender advice to the Energy Secretary. The Bill would also end the obligation of the Government to ensure that two of the corporation's directors are civil servants.

• More generally, as extension of offshore safety zones to cover installations and construction or being dismantled. At present a 500-metre safety zone extends around fixed structures.

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Banks (Sidney C.)	Oct.	693 (569)	2.0 (1.75)
Christy Bros.	Dec.	54L (119.1)	— (—)
Cook (William)	Sept.	146 (289)	0.3 (0.6)
Copson (F.)	Oct.	88 (103)	— (—)
Crouch Group	Sept.	231 (356)	1.08 (1.08)
Douglas (Rob. M.)	Sept.	1,120 (1,150)	1.1 (1.1)
Dowry Group	Sept.	19,050 (17,390)	2.2 (2.0)
Electronic Mach.	Sept.	53 (39)	— (—)
Guildhall Prop.	Dec.	509 (482)	0.75 (0.75)
Guinness Peat	Oct.	3,550 (6,220)	2.75 (2.75)
Hampson Inds.	Sept.	217 (321)	0.25 (0.25)
Jackson (W. M.)	Oct.	1,060 (1,080)	— (—)
Martin (R. P.)	Dec.	705 (283)	2.75 (1.5)
Press Tools	Oct.	147 (206)	0.8 (0.85)
Ransome (Wm.)	Sept.	158 (230)	1.5 (1.43)
Scott & Mirent	Sept.	509 (385)	5.35 (5.2)
Syltone	Sept.	319 (820)	1.8 (1.8)

(Figures in parentheses are for corresponding period.)  
\* Dividends shown net except where otherwise stated. † For nine months. ‡ For 12 months. § Last year's total.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Christian Savesen	Sept.	15,100 (18,900)	— (—)	16.1 (14.0)
City Offices	Dec.	1,480 (1,394)	2.6 (4.0)	3.1 (3.0)
Crest Nicholson	Oct.	5,430 (4,330)	23.9 (18.1)	4.8 (4.09)
Ford (Martin)	Nov.	244 (1,330)	1.5 (4.1)	1.3 (2.6)
Imperial Group	Oct.	126,890 (142,290)	11.3 (15.1)	7.25 (7.25)
Ladies Pride	Nov.	1,170 (1,130)	6.7 (7.4)	3.4 (2.53)
Macpherson (D.)	Oct.	2,260 (4,840)	2.7 (21.4)	4.2 (4.2)
Manchester Ship	Dec.	979L (1,782)	— (23.1)	7.5 (18.58)
Plastic Construc.	Sept.	415 (422)	5.5 (6.1)	2.67 (2.67)
Scott Agricultural	Dec.	4,450 (5,700)	37.7 (39.0)	14.75 (14.75)
Thrm. Syndicate	Oct.	1,400 (1,380)	21.9 (18.9)	7.0 (7.0)

## Offers for sale, placings and introductions

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Target—Placing £250,000 new shares at 160p per share.

Bristol Waterworks Company—Offer for sale by tender of £4m of 8 per cent redeemable preference stock 1986 at par.

## Engineering chief sees fewer jobs available

By Arthur Smith, Midlands Correspondent

A WARNING that manufacturing industry is likely to employ fewer people in 1985 than now, even with an upturn in activity, was delivered yesterday by Mr. Bill Frost, president of the West Midlands Engineering Employers' Association.

The region, which is presently suffering from record post-war unemployment and has another 235,000 workers on short time, has been hit hard by the recession.

Mr. Frost stressed, however, that the fact that employment in manufacturing was unlikely to increase had to be spelled out clearly.

Improvements in productivity had to be achieved for British industry to become competitive. He said there was "still no evidence of wholehearted public support for measures by officials to improve the productivity and therefore the competitive ability of manufacturing industry."

The reduction in the intake of orders by engineering companies had probably bottomed out. He told the association's annual meeting in Birmingham, that 1980 was "the worst trading year we've experienced since the war and there are no signs of early improvement."

Nearly all member companies had experienced short-time working or redundancies. Wage increases had fallen to a maximum of 7 per cent by the end of last year and more companies had deferred their annual pay review.

Mr. Frost welcomed "this realism" but said two areas concerned him. First, the private sector had borne the brunt of the squeeze on inflation; and second there had been a lack of real improvement in productivity.

## Rolls-Royce Marine division cuts labour force by 460

FINANCIAL TIMES REPORTER

THE ROLLS-ROYCE Industrial and Marine Division at Ansty, Coventry, is to reduce its labour force by about 460 through, as far as possible, natural wastage and early retirement. The division employs about 3,300.

The cuts are part of the company's general intention to reduce the 62,000-strong labour force by about 2,000 over the next year or so, to improve efficiency and productivity.

The Industrial and Marine Division produces ground-based industrial power units and marine units from aero-engines. Sales are worth about £150m a year.

Cuts in UK defence spending have affected engine overhaul work for the Royal Air Force. The Central Electricity Generating Board and British Gas have also reduced their orders for generating equipment.

The division will still have about 3,000 employees. Its order book amounts to several hundred million pounds.

Rolls-Royce Motors is making 350 of its 6,100 work force at its Crewe car plant redundant. The last jobs, all white-collar, form part of a cost-cutting programme begun towards the end of last year.

The company said yesterday it was reducing overheads so as to maintain margins and sales, particularly in overseas markets. The cost-cutting is not due to any fall in demand for the cars, said Rolls-Royce.

About half of the 3,200 cars made last year were exported. The biggest single export market—the U.S.—took 940 cars against the targeted 1,000. Sales in other overseas markets were down 9.2 per cent at 428.

In the UK, sales dropped from 1,349 to 1,315, but even so, Rolls-Royce increased its share of a severely contracted market.

At least part of last year's lower sales is attributed to an awareness that a new range of cars, the first for 15 years, was to be launched last autumn. The

Silver Spur, Silver Spirit and Bentley Mulsanne are now on sale in the U.K. They will be launched in the U.S. next month.

Production of the new models is now nearing the target rate of 68 cars a week. The company therefore expects to increase output this year by 300 cars.

Celestion, the Ipswich-based hi-fi manufacturer, is to introduce a three-day week for its workforce from March because of falling demand.

The closure will make 430 people redundant and bring up to nearly 2,500 the number of jobs axed in a year by BSC in West Cumbria—about half of its workforce in the area.

## Gilgate director blames auditors

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A Department of Trade investigation of the Gilgate group might have been unnecessary if an audit opinion had not been withdrawn, a Gilgate director said in the High Court yesterday.

The withdrawal by Thornton Baker, auditors of three Group subsidiaries, left the department with little alternative but to appoint inspectors, said Mr. Christopher Reynolds.

He said he was not suggesting that Thornton Baker had acted maliciously, but he blamed the firm for delays in filing accounts and making annual returns for group companies.

The department is asking the court to disqualify Mr. Reynolds and two other Gilgate directors, Mr. John Kidd and Mr. David Lucas, from any involvement in the management of any company because of their persistent breaches regarding accounts and returns.

Mr. Reynolds denied that the delays were caused by Gilgate directors failing to give Thornton Baker the information they required.

He said that Thornton Baker had been Gilgate's comforter and supporter for many years. But they had then "changed sides" and adopted serious reservations about the group that had been expressed by Deloitte Haskins and Sell, auditors for Gilgate Holding, the group parent.

He did not criticise Deloitte, he said, who had expressed an honest opinion. But Thornton Baker had deliberately led the Gilgate directors to believe that they were proceeding in a reasonable and right way, and then had turned round and said that the directors were acting in a totally wrong and objectionable manner.

The hearing continues on Monday.

## APPOINTMENTS

## Senior executive post in NEI group

Mr. K. S. Whitehouse has been appointed managing director of NEI INTERNATIONAL COMBUSTION replacing Mr. J. G. Anderson, who joined the main Board of Northern Engineering Industries last November.

Mr. D. J. Leveridge is to become managing director of STEPHENSON CLARKE INDUSTRIAL FUELS and of POWELL DUFFRYN INTERNATIONAL FUELS on April 1, in place of Mr. R. G. Gaylor, who retires at the end of March. The parent company is Powell Duffryn.

Mr. Mike Denoghe has been appointed managing director of LANGDON INDUSTRIES. He replaces Mr. Philip Langdon, who continues as chairman and intends to devote more time to the development side of the business. Langdon Industries is part of the International Services Division of Tozer Kemley and Millbourn.

Mr. Alan Curtis, who recently sold his interest in Aston Martin Lagonda, is to join the Board of LOTUS CARS as a non-executive director.

Mr. Derick Henry has been appointed finance director and company secretary of SCOTTISH DAILY RECORD AND SUNDAY MAIL.

Dr. J. C. Chapman is to retire from the Board of GEORGE WIMPEY on March 31. He has been technical director of the group for the past seven years and intends to establish his own consultancy.

Mr. Jean Gandois, chairman and chief executive officer of Rhone-Poulenc, and Herr Rainer Galt, speaker of the executive Board of Credit Suisse, Zurich, have become members of the European Advisory Council, TEN-NECO EUROPE, which is based in London.

Mr. Anthony R. R. Ratcliff has been re-elected president of the INSTITUTE OF ACTUARIES. Other honorary officers elected for 1981-82 are Mr. F. B. Corby, Mr. D. E. Fellows, Mr. M. B. Field and Mr. E. G. Shierlock, vice-presidents. Mr. P. E. Guaschi is treasurer and Mr. R. D. Corley and Mr. H. J. Jarvis, honorary secretaries.

Mr. J. Nigel Macdonald has been appointed managing director of HARRY FENTON, a subsidiary of Combined English Stores Group.

Mr. Nanna Ditzel is the new chairman of the national council of the DESIGN AND INDUSTRIES ASSOCIATION and Mr. Graham Parker is vice-chairman. Mr. Tom Law has become honorary treasurer. Mr. Leslie Bilshy, the retiring chairman, and Mr. John Tandy, retiring vice-presidents, Sir Monty Fauson continues as president of the DIA for a further year.

Mr. Peter Gould has been appointed assistant managing director of LAINING MANAGEMENT CONTRACTING, a member of the John Laing Group.

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## Engineering chief sees fewer jobs available

By Arthur Smith, Midlands Correspondent

A WARNING that manufacturing industry is likely to employ fewer people in 1985 than now, even with an upturn in activity, was delivered yesterday by Mr. Bill Frost, president of the West Midlands Engineering Employers' Association.

The region, which is presently suffering from record post-war unemployment and has another 235,000 workers on short time, has been hit hard by the recession.

Mr. Frost stressed, however, that the fact that employment in manufacturing was unlikely to increase had to be spelled out clearly.

Improvements in productivity had to be achieved for British industry to become competitive. He said there was "still no evidence of wholehearted public support for measures by officials to improve the productivity and therefore the competitive ability of manufacturing industry."

The reduction in the intake of orders by engineering companies had probably bottomed out. He told the association's annual meeting in Birmingham, that 1980 was "the worst trading year we've experienced since the war and there are no signs of early improvement."

Nearly all member companies had experienced short-time working or redundancies. Wage increases had fallen to a maximum of 7 per cent by the end of last year and more companies had deferred their annual pay review.

Mr. Frost welcomed "this realism" but said two areas concerned him. First, the private sector had borne the brunt of the squeeze on inflation; and second there had been a lack of real improvement in productivity.

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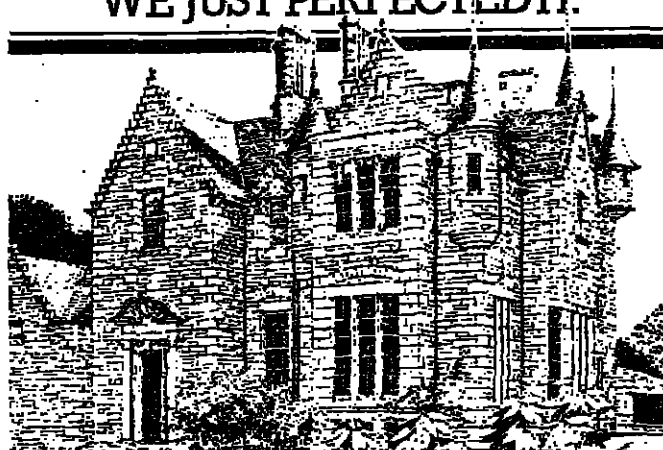
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LONDON TRADED OPTIONS									
(Feb. 13 Total contracts 793)									
Options	Expiry	Closing price	Vol.	Closing price	Vol.	Closing price	Vol.	Equity close	
BP	18	580	28	18	58	1	54	—	410p
BP	18	450	16	18	45	1	150	—	150p
Coor. Union	14	140	16	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—
Coor. Union	14	180	1	10	10	1	15	—	—

M. J. H. Nightingale & Co. Limited									
27									







## 19

## Texas Air blames income fall on special factors

BY DAVID LASCELLES IN NEW YORK

TEXAS AIR, parent of Texas International and New York Air, one of the country's most aggressive new regional carriers, reported a sharp drop in fourth-quarter earnings yesterday, but blamed it largely on misleading comparisons with the same period last year, as well as a change in the effective tax rate. Net income was \$1.1m or 14 cents a share, down from \$17.6m or \$2.50. For the whole year, 1978 profits were \$4.7m or 64 cents compared to net from operations of \$6.8m or 96 cents in 1977. But Texas Air made a huge profit in 1978 from the sale of

Its shares in National Airlines, the large Florida-based airline which it tried to takeover before being outbid by Pan Am.

Texas Air also said that its effective tax rate in 1980 went up to 3 per cent compared to the negligible rate of the year before when it was able to use investment tax credits.

Texas Air will shortly be offering to the public shares in its New York Air subsidiary which is involved in a bitter price war with Eastern Airlines for the East Coast shuttle market. New York Air's latest

gimmick is to fly passengers between New York and Boston tomorrow for only 29 cents, provided they sign a pledge never to fly the Eastern shuttle again.

Texas Air built up capital profits of about \$150m from its unsuccessful takeover battles but this sum was largely expended on the purchase of DC9 McDonnell Douglas aircraft at the end of last year.

About \$25m has so far been committed to the New York Air venture, which began operations just before last Christmas.

## Sharp setback at Resorts International

**By Paul Betts in New York**

Mr. Arthur Santry, president, said the worldwide order backlog was at a record \$3.49bn at yearend, adding "overall, we see continued strength in the energy-related market on a worldwide basis. We expect the company's growth to continue in 1981, and beyond."

Capital spending for 1980 was a record \$532m, including \$39m for the mineral deposits and fixed assets of Yaroslavl Engineering

**RESORTS INTERNATIONAL** of the Atlantic City and Bahamas hotel-casino operator, saw its earnings more than halved in its fourth quarter because of the impact of increased competition in Atlantic City which lowered casino revenues and higher operating and promotional costs.

In the final quarter, Resorts, which pioneered casino gambling in Atlantic years ago, reported net earnings of \$4.1m compared to \$10.5m in the same period in 1979. Fourth quarter revenues dropped from \$67.7m to \$77m. For the full year, earnings

totalling \$373.5m compared \$375m the year before.

1000

1979. It estimates its overall losses for 1980 at about L500bn against L258bn in 1979. Borrowing costs for last year are expected to total L600bn up 2 per cent on 1979. Before servicing this debt, Italside could claim to have made an operating profit of about L100bn.

The company says that nothing short of a major financial restructuring can save it.

I.G. Index. Tel.: 01-622 9192.

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**Texasgulf officers**  
THE directors of Texasgulf, the chemicals and natural resource group, have elected Mr. Richard Mollison as chairman and chief executive, replacing Mr. Charles F. Fogarty who, along with five other Texasgulf officers, was killed in a plane crash on Wednesday, Reuter reports. Mr. Mollison had been vice chairman. Mr. Walter F. Meyer was elected senior vice president and chief financial officer.

June Starting Dollar 2320-2330  
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## AMERICAN MARKETS

**NEW YORK, February 13.**  
**LOWER INTEREST** rates helped precious  
metals and copper recover from their

53.20, Dec. 56.15, Feb. 57.90, Apr.  
57.40.  
‡Maize—March  $363\frac{1}{4}$ – $363\frac{1}{2}$  ( $360\frac{1}{2}$ )



Live Hogs—Feb. 45.30-45.10 (44.80), April 48.45-48.40 (47.67), June 53.90-53.75, July 55.50, Aug. 54.50, Oct. 53.40

## INDICES

### FINANCIAL TIMES

Feb. 12,	Feb. 11,	Month ago	Year ago
261.86	262.48	259.08	213.41

(Basis: July 1, 1892-100).

### MOODY'S

Feb. 12,	Feb. 11,	Month ago	Year ago
1149.8	1159.1	1218.9	1459.3

(December 31, 1931=100)

Tate and Lyle ex-refinery price for granulated basic white sugar was \$242.5 (same) a tonne for home consumption and £384.50 (£387.50) for export.

International Sugar Agreement (U.S. cents per pound) firm and steady Caribbean port. Prices for February 12. Daily price 25.39 (25.80); 13-day average 25.30 (25.27).

## WOOL FUTURES

### LONDON NEW ZEALAND CROSS-BREDS—Close

(in order buyer, seller, business, unsettled).  
No. 1, Jan. 362, n/4; Mar. 348, 362, nil; Apr. May 351, 355, nil; n/4; Aug. 361, 364, 364.  
S. Oct. 370, 374, 372; 4; Dec. 376, 379, 374.  
No. 2, Jan. 352, n/4; Feb. 350, 378, 4; Mar. 360, 384, 382; 4; May 383, 396, 394; 4; Aug. 385, 388, nil; nil. Sales: 19.

### SYDNEY GREASY WOOL—Close

(in order buyer, seller, business, sales).  
*Australian cents per lb.* March 484.5, 485.0, amounted; 19. April 494.0, 494.5, 494.0, 485.0; 47; July 507.3, 507.5, 507.5-508.0, 183; Oct. 502.0, 502.0, 502.5-502.4; 44; Dec. 505.0, 508.0, 507.0-505.0, 42; March 512.0, 514.0, 513.5-511.5, 13; May 518.0, 520.0, 515.5-517.3, 2; July 524.0, 522.0, 524.0-524.0, 2. Sales, 399. British Hides, 3099.

## COTTON

### LIVERPOOL—Spot and shipments

said to amount to 126 tonnes, bringing the total for last week to 735 tonnes, against 1,089 tonnes in the previous week. A modest demand came forward, with steady purchases in various North and South American countries and support in Middle Eastern quarters.

[illegible]















Craigmont Unit Tst. Mgrs. Ltd.			
Buckleybury, London EC4H 8BD.		01-248 4984	
High Income	34.9	38.1	+0.3
North American	59.2	64.0	+0.2
Canadian Exempt*	45.3	68.9	7.68
Canadian Trust	65.4	70.6	+0.6
Mid-Market High Inc.*	47.1	49.8	9.64
Recovery	59.3	64.7	+0.2

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**Dunedin Unit Trust Mgmt. Ltd.**  
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**Discretionary Unit Fund Managers**  
56/58 New Bond St, EC2M 1UN  
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**E. F. Winchester Fund Mngs. Ltd.**  
44, Bloomsbury Square, WC1A 2BA 01-523 8899  
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**Enson & Dunley Trst. Mgmt. Ltd.**  
28 Abchurch Ln, W1 01-493 3211  
Enson & Dunley Trst. Mgmt. Ltd. 25.4 10.27

**Equity & Law Unit Tr. Mgr. (a)(g)**  
Amptham Rd, High Wycombe 0494 2272  
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**Fidelity International Mgmt. Ltd.**  
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**James Finlay Unit Trust Mgmt. Ltd.**  
104-124, West-Mile Trst, Glasgow 041-201 1322  
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**London World Unit Mgt. Ltd. (a)**  
64, London Wall, EC2M 1UN 01-428 5131  
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**Friends' Provident Unit Trust Mgrs. (a)(g)**  
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**Funds in Court\***  
Public Trustee, Glasgow, W2. 01-425 4300  
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**G. B. & A. Trusts (a)(g)**  
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**Garroffs Fund Managers Ltd. (a)(g)**  
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**Global Unit Trust Mgmt. Ltd. (a)(g)**  
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**Greenspan Unit Trust Mgmt. Ltd. (a)(g)**  
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**Investment Intelligence Ltd. (a)**  
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**Leinster Unit Trust Mgmt. Ltd. (a)(g)**  
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Leinster Unit Trust Mgmt. Ltd. (a)(g) 25.4 10.27  
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[illegible]

3-Way	157.5	157.5	
Ord. Pers.	198.3	198.3	
Equity	199.2		

[illegible]

**Albany Fund Management Limited**  
P.O. Box 73, St. Helier, Jersey. 0534 739333  
Telex: 330333 ALBANY JY. Cable: ALBANY JY.

[illegible]







## FINANCE, LAND--Continued

	Stock	Price	↑	↓	Net	Chg	WT	P/E
20	Wain, Selous & Co.	23	75		12.1	13	13.0	10.3
21	Wainwright (Int'l)	20	2		12.25	2	2	2
22	Wainwright (Int'l)	20	2		12.25	2	2	2
23	Wainwright (Int'l)	20	2		12.25	2	2	2
24	Wainwright (Int'l)	20	2		12.25	2	2	2
25	Wainwright (Int'l)	20	2		12.25	2	2	2
26	Wainwright (Int'l)	20	2		12.25	2	2	2
27	Wainwright (Int'l)	20	2		12.25	2	2	2
28	Wainwright (Int'l)	20	2		12.25	2	2	2
29	Wainwright (Int'l)	20	2		12.25	2	2	2
30	Wainwright (Int'l)	20	2		12.25	2	2	2
31	Wainwright (Int'l)	20	2		12.25	2	2	2
32	Wainwright (Int'l)	20	2		12.25	2	2	2
33	Wainwright (Int'l)	20	2		12.25	2	2	2
34	Wainwright (Int'l)	20	2		12.25	2	2	2
35	Wainwright (Int'l)	20	2		12.25	2	2	2
36	Wainwright (Int'l)	20	2		12.25	2	2	2
37	Wainwright (Int'l)	20	2		12.25	2	2	2
38	Wainwright (Int'l)	20	2		12.25	2	2	2
39	Wainwright (Int'l)	20	2		12.25	2	2	2
40	Wainwright (Int'l)	20	2		12.25	2	2	2
41	Wainwright (Int'l)	20	2		12.25	2	2	2
42	Wainwright (Int'l)	20	2		12.25	2	2	2
43	Wainwright (Int'l)	20	2		12.25	2	2	2
44	Wainwright (Int'l)	20	2		12.25	2	2	2
45	Wainwright (Int'l)	20	2		12.25	2	2	2
46	Wainwright (Int'l)	20	2		12.25	2	2	2
47	Wainwright (Int'l)	20	2		12.25	2	2	2
48	Wainwright (Int'l)	20	2		12.25	2	2	2
49	Wainwright (Int'l)	20	2		12.25	2	2	2
50	Wainwright (Int'l)	20	2		12.25	2	2	2
51	Wainwright (Int'l)	20	2		12.25	2	2	2
52	Wainwright (Int'l)	20	2		12.25	2	2	2
53	Wainwright (Int'l)	20	2		12.25	2	2	2
54	Wainwright (Int'l)	20	2		12.25	2	2	2
55	Wainwright (Int'l)	20	2		12.25	2	2	2
56	Wainwright (Int'l)	20	2		12.25	2	2	2
57	Wainwright (Int'l)	20	2		12.25	2	2	2
58	Wainwright (Int'l)	20	2		12.25	2	2	2
59	Wainwright (Int'l)	20	2		12.25	2	2	2
60	Wainwright (Int'l)	20	2		12.25	2	2	2
61	Wainwright (Int'l)	20	2		12.25	2	2	2
62	Wainwright (Int'l)	20	2		12.25	2	2	2
63	Wainwright (Int'l)	20	2		12.25	2	2	2
64	Wainwright (Int'l)	20	2		12.25	2	2	2
65	Wainwright (Int'l)	20	2		12.25	2	2	2
66	Wainwright (Int'l)	20	2		12.25	2	2	2
67	Wainwright (Int'l)	20	2		12.25	2	2	2
68	Wainwright (Int'l)	20	2		12.25	2	2	2
69	Wainwright (Int'l)	20	2		12.25	2	2	2
70	Wainwright (Int'l)	20	2		12.25	2	2	2
71	Wainwright (Int'l)	20	2		12.25	2	2	2
72	Wainwright (Int'l)	20	2		12.25	2	2	2
73	Wainwright (Int'l)	20	2		12.25	2	2	2
74	Wainwright (Int'l)	20	2		12.25	2	2	2
75	Wainwright (Int'l)	20	2		12.25	2	2	2
76	Wainwright (Int'l)	20	2		12.25	2	2	2
77	Wainwright (Int'l)	20	2		12.25	2	2	2
78	Wainwright (Int'l)	20	2		12.25	2	2	2

otherwise indicated, prices and net dividends are in pence and dividends are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, on half-yearly figures. P/E ratios are calculated on the basis of basic earnings, which have been adjusted to exclude extraordinary items and unusual ACT where applicable; bracketed figures show the 10 per cent or more difference if calculated on reported earnings. Covers are based on "maximum" distributions, i.e. gross dividend costs to profit after taxation, excluding non-recurring losses but including estimated extent of extraordinary items. Dividends are based on middle prices, are gross, adjusted to reflect the effect on value of declared distribution and rights issues. Stock prices are based on the closing price on 28/12/84. Divs and Divs marked that have been adjusted to allow for rights issues for cash.

360	U.C. Inc. #1	450		0150c	♦	20.5
170 <sub>2</sub>	Vegets 2mc	820		016c	♦	11.4

### Vegets 2mc and Platinum

136 <sub>2</sub>	Anglo-Am. Inc 50c	440 <sub>2</sub>	+1	0860c	1.112.0
340	De Beers Df. 5c	360	+2	0720c	2.011.5
		320			3.11.5

26	Revo	26	Ultramar
22	Scars	42	
14	Tesco	51	
42	Thorn	28	Mines
38	Trust Houses	18	Charter Com.
16	Tube Invest.	18	Cons. Gold
20	Unilever	50	Leahurst
15	U.D.T.	42	Rio T. Zinc

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170 <sub>2</sub>	Vegets 2mc	820		016c	♦	11.4

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340	De Beers Df. 5c	360	+2	0720c	2.011.5
		320			3.013.5

Coal	32	4	Premier
C. C.	31	4	Steel
C. C.	31	4	Tricentral
Accident	38	16	Ultramar
Electric	58	18	
	22	42	
Met	14	51	
"A"	48	28	Mines
an	32	18	Charter Cons.

A selection of Options traded is given on the London Stock Exchange Report page

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**"Recent Issues" and "Rights" Page 22**

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